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Alden, John Berry

Peace and prosperity via justice and practical sense

Neshanic, N.J.

c1919

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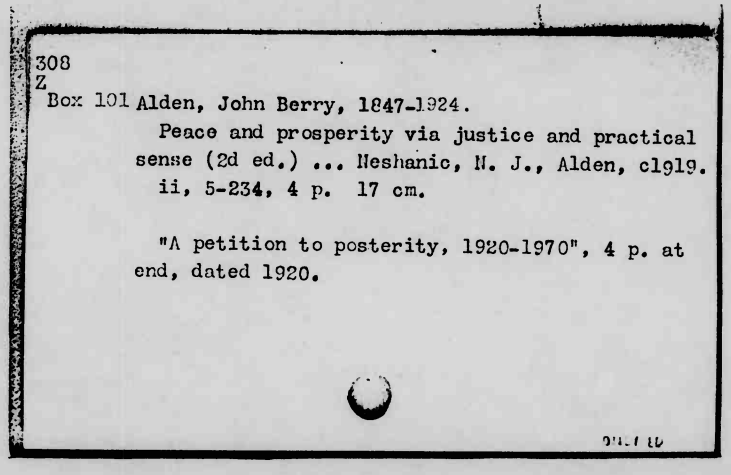
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PEACE AND PROSPERITY

VIA

Justice and Practical Sense

(*SECOND EDITION*)

"The square deal."—*Roosevelt.*
"Honesty is the best policy."—*Franklin.*
"Godliness is profitable."—*Timothy.*
"Greatest among you . . . your servant."—*Jesus.*
"Who would be free, himself must strike the blow."
"Speech without action is a moral dearth, and to advance the world is little worth." *See "P. S."*

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June 1921

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Copyright, 1919

JOHN B. ALDEN, Publisher,
NESHANIC, N. J.

PREFATORY

Most of the important problems of statesmanship are simple ones, readily understood by any man of ordinary intelligence; and right action, and wise action, "boiled down," are matters of simple right and justice, and of common sense directness to the end aimed at.

Of the world's economic problems two of the most vital, far reaching—far and big almost beyond imagination—are finance and transportation.

This little book deals in outline, only, with transportation, but the just and "sense" foundation is clear; the superstructure can be comparatively simple; the "Men Who Pay the Freight," and the "Labor" that will do the work, will "automatically," given opportunity, work out the details.

The financial problem is dealt with more at length. Most, if not all, that is essential is easily within the comprehension of almost anyone who will give the matter study.

"Reconstruction; Mutual Service" is an attempt to apply practical common-sense and business experience to the effective forward movement of the wheels of industry, prosperity—peace, which the world so longs for.

The right solution of these problems means freedom, prosperity, culture, the essentials of "wealth" for the masses.

The wrong solution means commercial antagonism, never-ending economic war, "chains and slavery" (subtile, but binding, killing, as the web of the spider to the fly) for the millions—means luxury, enervating, demoralizing, corrupting, boundless wealth for the few.

J. B. A.

NESHANIC, N. J., 1919.

CB Jan 8, 1923

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TRANSPORTATION

National Ownership; Private Operation

"Uncle Sam's Automatic Railroad Regulator"

Will not the plans following give us economic peace and prosperity instead of incessant economic war, or commercial antagonism, such as we have had these many years—always since railroads were invented?

Take the railroads out of politics altogether?

Give practically unlimited financial strength, and least possible cost of capital?

Give efficiency of operation in the utmost degree?

Give immaculate justice to investors?

Give equal justice, together with the lowest possible cost of transportation, to the Man Who Pays the Freight?

Give the greatest possible measure of contentment, and of zeal in service, to railroad employees?

Give justice and economic service in the highest conceivable measure to all producers and all consumers whose cost of living, and compensation for labor, are intimately and always affected by transportation cost and service?

We start with things as they are:

Approximately twenty billion dollars of capital now invested in railroads, costs under present conditions—has cost, always, on the average—over 6 per cent. per annum (possibly over 8 per cent.?) over twelve hundred million

dollars a year. This cost, inevitably, is passed along, through the man who pays the freight, to producer and consumer.

Incidental, with this excessive cost of capital, we have always had—always will have—a large degree of financial demoralization—uncertainty, poverty, bankruptcy, manipulation by capitalists and speculators, resulting, to smaller, innocent, ill-informed investors, in loss to them, and gradual transfer of their capital holdings to big financiers—building up multi-millionaires.

Let Uncle Sam supply *all* this twenty billion dollars capital by government ownership (*not* "government *operation*"—see further on) and abundant capital can be had at a cost not to exceed 3 per cent. per annum, a *saving* of fully six hundred million dollars a year in capital-cost, such saving, not for benefit of "capitalists," but for producers and consumers, in *reduced cost of transportation*. Probably the saving would be near, if not quite, a billion dollars a year—at least one-half of present capital-cost.

"Money for 3 per cent.?" Yes, at that, or less, all Uncle Sam can find profitable use for—certain as gravitation—not by "fiat," but by common-sense, square-deal, free trade in finance; justice to thrift and industry. Unshackle our present Postal Savings Bank and in less than one year it will have over eighty million depositors, with such resulting stimulus to thrift, industry and enterprise as the world has never seen, with scores of billions of dollars in deposits. For particulars as to this see "The Industrial Savings Act" already before Congress, with speech of Senator Sheppard explaining and illustrating how and why.

This "Postal Bank" reference is not essential to the "Automatic Railroad Regulator" idea. If you choose to let "Money Interests" finance government ownership at a higher rate, it can be done and still save one-half in the

cost of capital, but such excess cost is needless, and unjustly fastens that much more perpetual tax on cost of transportation.

With government *ownership* (*not* operation), thus, would come the greatest conceivable financial efficiency and strength.

Now let follow the highest conceivable efficiency of interested, alert, intelligent personal initiative, *Private Operation*, under a one-unit system and universal control in manner as follows:

Private Operation, not by "capitalists," inevitably interested to get in "dividends," and by direct and indirect ways, devious and otherwise, all that can be made out of transportation, but:

Private Operation by those "Who (now and always will) Pay the Freight" (human, included) and whose vital interest it is to secure the highest possible efficiency of service at the least possible cost.

These Men Who Pay the Freight include the great mass of the ablest business men of the nation, manufacturers, merchants, farmers—men who are always "on the spot," at every great terminal, at every small country station—always with eyes open to know what ought to be done and how to do it, *"self-interest"* always "prodding" them, "keying them up" to "get results" at least cost—meaning for them, highest profit.

Organize these Men Who Pay the Freight precisely as stockholders are always organized, *giving each a vote* in control and operation according to the amount of his interest—a vote for EACH $100 in freight he pays annually (smaller patrons might have *one* vote).

These Men Who Pay the Freight, automatically and vitally interested to secure best results, would elect (commonly elect the men now in service—thereafter interested to serve *Freight-Payers* instead of Capitalists)—would elect:

(*a*) Local Transportation Boards (say of three or five) at each station or city.

(*b*) Line, or Division Boards of Directors, chosen by *patron Freight Payers* on that line.

(*c*) General Board of Directors, having control over all roads and interests the nation over.

These Boards of Directors would employ and direct and control as similar Boards do now.

But these new Boards are under the "Men Who Pay the Freight," and are *interested* to SERVE, to *reduce* cost, not to get "dividends"—"profits" for capitalists.

The only "Capitalist" interested is Uncle Sam (the "genus" name for Liberty Bond Holders—and of the eighty million or more Depositors in the Unshackled Postal Savings Bank) and "Uncle" wants a "dividend" of only 3½ per cent. (½ per cent. above the 3, cost, the same as the Allies pay). Freight charges must inevitably be high enough to cover cost of operation and of up-keep, and this small dividend. Any Railroad Earnings above these essentials would come back to Freight Payers, in *reduced cost of freight*—and thus come to all Producers and all Consumers in increased price for products, or in reduced Cost of Living.

So organized, the entire National Transportation service would be One Unit, one management, no waste or superfluity of equipment in one place, poverty, strangulation in another—no cut-throat competition between Lines, no favoritism to special shippers, no opportunity for "graft," no "side" Refrigerator, Express, Despatch or other vampire "systems."

The eyes of Men Who Pay the Freight are everywhere, watching for waste, steals, blunders, inefficiency —or watching to reward and promote Efficiency.

Every manufacturing shipper, every merchant who has something to sell, seeking larger market, each with a pro rata vote in control according to his railroad patronage, will be interested to extend railroad lines into new territory, to double-track, or quadruple track, improve terminals, wherever such improvements or extensions can be made to earn over 3½ per cent on additional capital, which Uncle Sam is always ready and able to supply when it can be of service to his people.

"Increase Uncle Sam's debt *another* twenty billion dollars—and "then some more"! Not necessarily this amount—pay the just value of the property—a different problem to be solved when we come to it.

It will not, in fact, be any real "increase" of debt at all—practically a big decrease—because these Men Who Pay the Freight *now,* virtually owe it and are daily paying it to railroad stockholders and bondholders in the form of freight charges; the form of debt is changed, only, to Uncle Sam—practically cut in half my reducing one-half the interest-cost. There is "solid" money-earning asset for every dollar of this debt.

"Out of politics!" Completely out of politics.

We all know how sinister and dominating the influence of railroads in politics has been in the past. "All the traffic will bear." "The public be damned." Bribery and blackmail, favoritism, secret rates, cut-throat, wrecking competition, strangulating regulation.

With the railroads completely turned over to "Government ownership and *operation,*" with so-called "statesmen," politicians, in charge, and with about two million employees, to help "regulate" the roads, (or regulate politics and the Government) what riot of *inefficiency* and disservice, might we not anticipate?

The "national ownership" here purposed has for one of its special, most important objects the forestalling and preventing the inefficient, demoralizing kind of "government ownership" which threatens to come, if it is to be a choice between that and the "exploitation" of all commerce by "capitalists."

Don't talk of "regulation" by government! We have had enough of it—incessant, endless "war," the "interests" regulating government, or vice versa, meantime commerce suffering!

But, with Government *simply owning* the roads, receiving its "first lien" 3½ per cent. dividends, and the "self-interest" of "Men Who Pay the Freight," the mass of the ablest business men of the nation supervising the "OPERATION," there would naturally result absolute economic peace and prosperity—utmost efficiency of service, least possible cost of service.

The same principles apply, obviously, to telegraph, telephone and other public service utilities, though these may not be equally instant with the transportation problem.

The nation, state, or municipality can "finance" (no "subsidy"—nothing akin, self-support being assumed) the patrons (who always do pay, directly and indirectly, the bills, and pay dividends on capital) controlling "operation," each patron with a vote having weight in proportion to patronage, thus "automatically" guaranteeing the utmost efficiency of service, and utmost economy in cost of service.

Even milk service in big cities, the city financing, milk-users controlling as one unit the buying and distribution, might easily cut cost of milk to babies and all others fully one-fourth, probably one-third, possibly nearer one-half.

What about Labor in relation to this transportation problem?

Can it also be made to "automatically" serve efficiency and economy in railroad operation?

Let us try.

Labor is "worthy of its hire"—according to scripture.

It *pays* to have Labor at least contented—pays better to have it interested—enthusiastic.

Under this plan, Labor would be serving millions of "Freight-Payers," neighbors whom they know and respect, instead of serving a limited few "Capitalists" who (they think) seek to exploit Labor, and there would naturally be less tendency to antagonism.

Let us organize the "self-interest" and power of Labor precisely the same as we have organized the self-interest and power of the Men Who Pay the Freight.

Give every employee a vote with *weight* in proportion to his earnings—as stockholders always have weight in proportion to investment—as freight payers are given in present plans weight in proportion to the freight they pay; so will a man have influence in some measure in proportion to his merit, *growing* influence as he grows, which will *interest* and stimulate him to grow.

Let Labor elect at least *one* advisory representative to each Board that has to do with railroad operation, and so always be consulted—the "higher up" men of the future are the "small" men of today. Give them a chance to "grow," and watch them grow—fast!

And from the lowest section hand to the highest "Manager" or President let every employee have at least some compensation contingent on time of service, faithfulness, efficiency, success, as shown by results. All this is necessarily a question of detail, to be largely learned and developed by experience. The free, continual consultation of Labor will help enormously to wise solutions of these problems.

Will "U. S. Automatic R. R." Work?

It will work, certainly as gravitation!

It mobilizes to the full the power of "self-interest" and personal initiative, and puts to the front, in charge, the best brain and energy of the mass of business men of the nation.

"The Men Who Pay the Freight" are of practically unlimited resource of capital and skill—they are the sort of men who "find a way or make it."

"Big Business" is in the "same boat" with "little business," the one with no possibility of advantage over the other—"pull together" is inevitable, and "get there" is the goal for all.

Of course no "machine" was ever made, the "first trial" of which did not show room for improvement—some "adjustment" here and some "oil" there. The "School of Experience" is the "best ever" for teaching the way to success, and here we have the school of experience.

"The Men Who Pay the Freight" are "practical" men, who take hold of "things as they are." Railroad Transportation is "a going business" and the men now in charge, heretofore representing, working for, the "owners" who have not yet been paid for the property, but will be paid, fairly, the value they can help to prove to be in the property. The "owners' self-interest" makes sure their "help" and not hindrance in this "private operation." The workers' "self-interest" urges all to "make good" and hold their positions, or win promotion to better ones. The new Board of Directors elected by the Men Who Pay the Freight take over the "machine" as it is, with practical, experienced "crews" in charge, and will simply "speed up" and adjust, improve, strengthen, enlarge, multiply as "practical men" know how to do, continuing existing management, present employees, except as experience shows change desirable.

Text and Comment Thereon of A Bill

To secure the utmost financial strength, and utmost economy in capital-cost, by National Ownership of Railroads and other means for freight and passenger transportation, by land, water, or air, together with the utmost efficiency and least possible cost of service by means of Private Operation of the same.

Note.—This Bill as presented is meant to be suggestive, rather than final; some points are even tentative. Committees of Senate and House should naturally improve some details.

It is prepared especially with the hope that it may be put before "practical" men, merchants, manufacturers, farmers—all "Men Who Pay the Freight," pay for up-keep and waste, interest on R.R. bonds, all dividends on capital stock, whose vital business suffers when service is poor, or prospers when service is efficient—who of necessity pass along to producer and consumer, with some additions, all excess cost of transportation. Surely these are the men qualified to discuss and solve the transportation problem. Why not put this before the "Men Who Pay the Freight" and give them a chance to talk and suggest?

Sec. 1. There is hereby created the U. S. National Transportation Corporation, the capital stock of which shall be measured and limited only by the need of service and the ability to use profitably, all said capital stock to be subscribed for, owned and permanently held by the U. S. Treasury.

Note.—National credit is to be used in very large amount, but in place of other credit already existing, vastly more expensive to taxpayers; every dollar of debt

will represent live assets earning substantial profit for the national treasury.

Sec. 2. All the members of the Cabinet of the President of the United States shall, *ex oficio*, be directors of said corporation, hereinafter referred to as ownership directors.

(*a*) Said ownership directors shall by majority vote have veto power concerning any matter relating to the business of the corporation, and by unanimous vote shall have initiative power and final authority to order, in any such matter.

(*b*) Said ownership directors shall employ and compensate in its discretion such service as it deems necessary, including the service of the existing U. S. Commerce Commission, for the adequate oversight of all matters affecting the corporation and the performance of duties, compensation for such service to be at the expense of the U. S. Government.

(*c*) It shall be the special duty of said ownership directors to see that charges for Freight and Passenger Transportation shall be maintained adequately high to cover all expense of operation, of up-keep, and to pay into the U. S. Treasury a semi-annual dividend of one-half of one per cent. per annum in excess of the cost to the U. S. of money borrowed for investment in the capital stock of the corporation.

(*d*) Said ownership directors shall cause to be issued and sold to the U. S. Postal Savings Bank, or otherwise, on the best terms possible, U. S. bonds ample to buy, build, equip and supply all legitimate capital needs for the most efficient and profitable transportation service of the nation.

(*e*) It shall be the further special duty of said ownership directors to see that charges for transportation shall be uniform and just to all shippers and passengers, without favoritism to any individual or to any locality; also to see that all purchases and contracts having to do with buying, building, equipping, maintaining or operating shall be in like manner without favoritism or special advantage to any one.

Sec. 3. The operation of the entire transportation system provided for by this Bill shall be as one unit, and not as many competing or co-operating lines or systems, and shall be in charge of Boards of Directors, subject to the oversight of the ownership board as already provided, to be chosen as provided in Sec. 4 hereof, as follows:

(*a*) A National Executive Board in control over all, hereinafter called the Operating Board.

(*b*) Division Boards in charge of such lines or divisions as the Operating Board may for convenience and efficiency in operation designate.

(*c*) Local Boards in charge of each station, city or locality as the Operating Board may designate.

(*d*) The powers, duties and compensations of the Division Boards and Local Boards, and the number in each, not less than three, shall be such as the Operating Boards may fix.

Sec. 4. The members of each of said Operating Boards, Division Boards and Local Boards shall be chosen by election in January of each year, as follows:

(*a*) The Ownership Directors shall first cause to be ascertained and recorded as accurately as practicable, from the records of local railroad stations, and by notices and advertisements to railroad patrons, the names and addresses of all who in the calendar year 1918 have paid freight or passenger transportation in excess of $10 each, and the amount so paid, the same to be claimed as having been paid by the payor, and allowed as paid by the local transportation authorities, such payors of transpor-

tation to be referred to hereinafter as Men Who Have Paid the Freight.

(*b*) Such Men Who Have Paid the Freight shall each be allowed one vote, and an additional vote for each $100 additional transportation paid in said calendar year 1918, and after January 1, 1920, each of the Men Who Have Paid the Freight shall have votes in like manner according to the amounts paid in the preceding calendar year.

(*c*) All votes of Men Who Have Paid the Freight, and all votes of members of said Operating Boards, Division Boards and Local Boards shall be in writing or printing, by written signature, and may be by mail, and inability to write shall be deemed waiver of the right to vote, and all records of votes shall be preserved at least one year.

(*d*) Men Who Have Paid the Freight may each vote for his choice of three (or more, if so designated) persons to act as Local Directors, or may concentrate his several votes on one person. The persons so chosen as Directors shall each have weight of vote in his Board according to the number of votes by which he is chosen. If more than three (or the designated number) have been so chosen as Directors, those so chosen shall ballot repeatedly among themselves till the properly reduced number of Directors is reached, and the weight of vote of each Director ascertained by the number of votes concentrated upon him.

(*e*) Local Boards of Directors thus chosen, all of them along the line of the division of which they are a part, shall thereafter meet at some central point which the Operating Board, or in first instance the Ownership Board, may designate, and shall in a similar manner ballot for and elect a Division Board, the number of members of which shall be determined by themselves, till finally determined by the Operating Board. Each member of said Division Board shall have weight of vote according to the number of concentrated votes he has received.

(*f*) All the various Division Boards so chosen shall thereafter meet as appointed by the Operating Board, or Ownership Board, and shall in a similar manner elect Directors of an Operating Board, each member of which shall have power and weight of vote according to the number of votes concentrated in his election.

NOTE.—This choosing of Directors is a simpler matter than describing it. It is a mathematically exact way of placing power in the hands of those whom the voters esteem the most capable and trustworthy. The plan is based on the principle of the "proxy" and of "weight" according to "money invested," common in corporate business generally. The result will be that dominant "natural leadership" will lead; two or three men, or possibly even one, will sometimes have more "power" or "weight" than all the other members of the Board—because voters have so willed it. But "minority representation" is there, also, with its due proportionate influence.

Sec. 5. The Operating Board shall have, subject to the superior powers of the Ownership Board, as specified, complete power of control and management of everything relating to the functions of the U. S. National Transportation Corporation, shall employ, direct, and compensate in its discretion all service necessary. It shall have the fullest power of eminent domain which this Act can legally convey, to take over land, water and other property important to the corporation, with reasonable promptness thereafter justly paying therefor with capital supplied by the Ownership Board. This is intended to include the right to take coal, iron and other mines and water power, rolling mills and other factories necessary or important to the best economic transportation service of the nation, but not for exploitation of

such property. It shall have the right to fix and alter charges for transportation, without favoritism to any, with equal rights to all patrons, without unjust advantage to one locality over another, or to one class of freight over another; provided, however, especially that transportation charges shall always be maintained adequately high to provide for up-keep of all the property of the corporation and for paying semi-annually into the U. S. Treasury of a dividend of one-half of one per cent. in excess of the cost to the U. S. Treasury of the money invested in the capital stock of the corporation.

Sec. 6. In the event of the death or disability of a member of the Operating Board, Division Board or Local Board, the remaining members may choose his successor to act during incapacity or till the next annual election.

Sec. 7. The existing Railroad Administration shall continue until the Director General shall receive notice from the Operating Board that it is ready to take charge, when the property shall be as promptly as possible turned over to it.

Sec. 8. As soon as practicable after taking over the property as specified in Section 7, the Operating Board shall proceed to carefully inventory and estimate the value thereof, and the former owners shall also estimate its value, and the two opposing interests shall attempt to agree upon value, and failing to agree each interest shall choose a referee and those two referees shall agree upon a third, and the majority shall determine the value. In case the two referees shall fail to agree upon a third, the President shall make such choice. Upon the value being so determined and the decision being approved by the Ownership Board, said Ownership Board shall cause to be issued and marketed U. S. Bonds and make payment to the original owners. In the meantime rental shall be paid to the original owners in accordance with existing

contracts made by the railroad administration, from the operating income of the railroads.

Transportation Incidentals and Observations

The greatest of all the forces that "do things" in human life are "self-interest" and "individuality"—the one "does it," the other "does it differently," and contrast and competition of the "different" incite men to "get there" lively.

Nine-tenths of the world's work, if not nearer ninety-nine-hundredths of it, is thus done by self-interest—life's luxuries and necessities brought to our doors without hurry or worry on our part.

Mixed with all this thought of "self" there may be, and is much of thought of justice and honor, and of the spirit of "altruism"—which, if strongly impregnate about doubles the "horse power" of the "ego"—but the prime force that never ceases to inspire and *push* is "self-interest."

Here "hitched up" with the strongest financial resources and power the world has ever seen—the measureless credit of "Uncle Sam," we have the "self-interest" and "individuality" of the great mass—practically *all*—of the business men of the U. S., manufacturers, merchants, farmers. Each is compelled by the nature of the "hitch," when he works for "self-interest" to work also for the *interest of all.*

The aim is *necessarily* the most efficient transportation service, the least possible cost—and *all* benefit, no possible favoritism, to individual, to locality, to class of freight.

Local Boards of Directors, of villages or larger towns, or great terminal cities, are chosen by the local patrons, Men Who Pay the Freight—chosen from among themselves, neighbors who know each other. Those most interested, alert, the men who "get things done," inevita-

bly come to the front, and each is given power measured by the confidence he commands, not "equal powers" (always fiction, not fact, for some one "dominates" in almost any effective board).

In small places the Local Board will probably be three—and a dominating alert one will do most of the work, or have oversight of it. In larger places Boards will be larger. Their numbers, their powers, duties, compensations will be decided by the great Operating Board of the National Organization, which controls and orders everything, as a General Staff controls a great army.

Once a year all the Local Board members meet together and elect a superior Division Board (which will be under the National Operating Board) each member being given "weight of vote" according to the concentrated "weight of votes" he receives. And these various Division Boards likewise meet and elect in the same manner, with same "accumulated weight of vote," the National Operating Board, the number of members and the compensation being fixed by vote of the Division Board members. The National Operating Board powers and duties are fixed by the law organizing the corporation.

Each Local and Division Board inevitably has its "interests"—to get the most and best service at the least practicable cost for its locality or line. It is always "on the spot," has knowledge and initiative—and "can get anything it wants" in reason, when it shows that "what it wants" will *"pay"* the cost of the capital "what it wants" involves, and "something more" for safety of "Division" and for the national system.

If capital costs (say) 3½ per cent., and a local elevator, cotton, or potato warehouse, a gigantic hay press, a creamery, a new "feeder" trolley freight-passenger line —anything that will bring business to the road, enlarge markets for shippers—if any or all can be made to

"earn" 10, or 7, or even 4 per cent. (perhaps) "Uncle Sam is rich enough" to give us all we want—*if it pays!*

And the records show "what pays." While the whole national system is "one unit," accounts are kept so it is easy to tell where and how much "income" exceeds cost of investment, or vice versa.

At the great city terminals, of course, is where the "one unit" idea counts most and shows most effectually —no more "competition," all one "happy family" seeking the best possible "least-cost service" of commerce and travel.

No more "vampire" "inside," express, refrigerator or other "systems," no favored "contractors" for betterments, extensions, to suck the life-blood profits from Uncle Sam's Railroad. The national Operating Board has its own engineers, a great army of tested officers who can organize and superintend forces that can do anything that can be done by "somebody else at a profit" for the Corporation. If sometimes the Corporation buys, "outside," locomotives, rails, or anything else, it knows from its own "cost records" in its own shops what it buys is worth, and will buy for its own "convenience" and not as a "favor" to a big "client" or "capitalist."

Water and Air Transportation.

Of course the "Men Who Pay the Freight" want all possible *profitable* economic facilities for transportation wherever freight or passengers want to go, and river and canal will be used heavily, all as "one unit" with the railroads—including coast and Panama Canal—and why not also allow Cuba, West Indias generally and South America—and why stop even there?

For foreign transportation generally a separate "American-Foreign Transportation Corporation" might well be organized along the same lines as that of this Inter-State Corporation, to be "financed" by the nation and "operated"

by the "Men Who Pay Foreign Freight"—vitally interested to secure the greatest possible efficiency of service, and least possible cost of service—*small shippers* (comparatively) having the same benefit of low cost as the large shippers who transport millions of tons—low cost, obviously being passed on for benefit of producer and consumer.

As "ships and more ships" under its own control are to be counted as vital for the future prosperity and PEACE of "Uncle Sam" and the world generally, this "American-Foreign Transportation Corporation" might (with perhaps independent *private* American Citizen transportation) be given the monopoly of *one-half* the total foreign-American transportation, the other one-half fairly being left open to competition of the other nations of the world.

Air transportation is, of course, a matter of future development. The "experimental part" of it will doubtless be pressed at the expense of the U. S. Army, Navy, and Post Office; the U. S. A. A. R. will "take a hand in the game" only to the extent that it can be done with early anticipated *profit* in view.

FINANCIAL JUSTICE AND INDUSTRIAL SAVINGS

"For Uncle Sam and World Peace."
"Unshackle the Postal Savings Bank."

The first quotation above was the title of a portion of this paper issued as an appeal to immeasurably help win the world war by a bit of plain financial justice to industrial patriots. The war is won but "godliness is profitable" for time of peace as well as time of war, so we still give the quotation place.

To get anywhere we must always "start where we are"—start with things *as they are*.

We now have a Postal Savings Bank—we start with that.

Every other savings bank in the world makes the pretense, at least, of securi for depositors the largest practicable returns for their money, with absolute security, and perfect availability. Uncle Sam's Postal Savings Bank is "shackled" by the opposite rule—it attempts to get as much money as possible from depositors for the *least interest possible*.

There were at one time about seven hundred thousand depositors, almost entirely limited to poor, but provident, ignorant, timid foreigners—so limited by the fact that no intelligent American will deposit in the Postal Bank under present dishonorable restrictions.

These seven hundred thousand timid, ignorant depositors have placed about one hundred and forty million dollars in the Postal Bank, for which they get the ridiculous

(wicked) rate of two per cent. (only) interest. What is done with their money? Instead of giving Uncle Sam the benefit of the money, the benefit of the low two per cent., ninety-five per cent. of the money is turned over to bankers for two and a quarter per cent.—and the bankers loan it to Uncle Sam for four and a half, or loan it, possibly, to farmers or others for productive purposes at 6 per cent. or MORE, plus commissions to somebody.

Is this the "square deal"? Is this, if technically "honest," *honorable?* Is it "godly"?

Shall you and I "stand by consenting," like Saul at Stephen's stoning, while such wrong is done? And if a bank accepts the benefit of this "2-per-cent. money," does it not *more* than "hold the clothes of them that stoned"—hold some of the *contents* of the clothes of *them that are stoned?* Do editors, who join the "conspiracy of silence," speaking no word of protest, or of exposure of wrong—are they guilty of "hush money" in accepting "financial advertising" and "keeping still"? One hesitates to believe honorable bankers and editors consciously "guilty"—"they know not what they do" is sad truth often applying.

And what about the "wrong"—(and the economic folly!) of excluding from any use of the Postal Savings Bank the scores of millions of intelligent, thrifty, patriotic Americans by limiting interest to 2 per cent. and by limiting the right to deposit at all more than a petty sum instead of inviting "without limit" as commercial banks always do? "Limit 2 per cent.," when the market price for money is from twice to five times two!

We now propose:

"A Bill to amend the Law relating to the Postal Savings Bank, in the interest of justice to depositors, also in the interest of farmers, and other small industrial borrowers of money, and in the interest of the nation at large."

In the interest of depositors—of borrowers—of the nation at large; is there any other, any special limited class, or favored few, whose "interests" shall dictate and distort the plan and purpose of the law of the Postal Savings Bank? Patriotism says no!

Justice stupendously stimulates patriotism. "Hyphenated" depositors in, and producing borrowers from, an unshackled Postal Savings Bank would be few, and quickly, "automatically" cured!

In the interest of Depositors:

The "Unshackled" Postal Bank we are attempting to rebuild on a basis of mathematically exact justice. The first man to rightly claim "justice" from it and all concerned, is the man who has the money—the depositor, whether he has brought his hard-earned hoard of $10 or $1,000,000. He is "inalienably" entitled to get for the use of that money the *most that anybody will give for it,* with ample security, just as the farmer is entitled to get the same for his wheat, or the workman for his labor.

In the interest of Borrowers:

The man who wants to borrow money has no "rights" in the case till he is able to offer satisfactory security, then the borrower who will give the most, whether he is banker, barber, butcher or farmer, has the right to get it—the amount he will pay for its use is, presumably, the legitimate measure of his need, or of his *ability to use at high profit.*

But, given a "square deal" to both depositor and borrower, no fear but in this rich nation, there will be plenty of money to "go round," at a fair rate of interest—both better and fairer than either (average man) gets now.

"Cheap money" never can exist, as it is imagined by many, except as it is made cheap by some "hocus pocus" and *injustice* to somebody, in the end the taxpayer, which, ultimately means more the man who labors than anybody else.

The "cheapest money" possible will come about precisely as will cheap wheat or cheap shoes—by the *producer's* increasing ability to get larger "crops" for his labor. When we "all get rich" (or more of us) money will go begging for borrowers at a fraction of present rates of interest.

The "justice for the farmer" (and all who labor) we seek *via* an unshackled Postal Savings Bank is that he shall have the *right and ability* to borrow money as cheaply as *anybody,* even the banker, on equal security.

Here is provided the "square deal"—so universally popular with patriotic Americans—"free trade" in finance, money, and credits, not special privilege to bankers, farmers, or any other class.

The following Bill, here slightly amended, has already been presented to Congress, in two successive sessions, introduced by Senator Morris Sheppard of Texas. It will be again introduced, in Senate and House, *till it gets consideration.* As its plans are much broader in scope than those of the original Postal Savings Bank, it is given the title

THE INDUSTRIAL SAVINGS ACT.

"Section 1. Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the short title of this act shall be The Industrial Savings Act."

"Sec. 2. All the members of the President's Cabinet shall, *ex oficio,* constitute a board of trustees for the administration of this act, hereinafter to be referred to as the Industrial Savings Board."

These officials broadly represent all the basic economic interests of the nation. They are appointed by the President and confirmed by the Senate. They guide and shape the policy of the bank established by this bill, within the

very definite limits which it provides. They will not have time for the work in detail, but they will fashion general policies, choose and supervise competent heads and principal employees, who will do the work, under the safe, businesslike rules of the Civil Service Commission.

'Sec. 3. For the proper and efficient organization and conduct of the business of the Industrial Savings Board it shall appoint, under the rules of the Civil Service Commission, a first chief, a second chief, and a third chief, having such powers and duties as the board may designate; also such other assistants, attorneys, and other employees as the board may consider necessary. The compensation of the persons so appointed and other expenses of operation under this act shall be such as the Industrial Savings Board may authorize, and shall be paid from the profits of the Postal Savings Bank."

This section takes the Postal Savings Bank out of politics, and provides that expense of operation shall be paid from the profits of the bank by depositors and borrowers, instead of being taken from the pockets of taxpayers by appropriations from the Treasury. The wisdom and fairness of this section would seem to be beyond question.

"Sec. 4. The Industrial Savings Board shall, as soon as possible, take over the control of the existing Postal Savings Bank, the details of its administration to continue in connection with the post offices throughout the country, under the direct supervision of the Postmaster General acting for the board.

"Sec. 5. As soon as arrangements can be made therefor every post office, postmaster, and all letter carriers and other post office employees shall hereafter be made to serve the people through the Postal Savings Bank as they now serve them for letters, money orders, registered letters and parcel post, without limitation, the manner of such service being as in this act provided, and all limita-

tions on the amount of deposits in the Postal Savings Bank are hereby removed.

"Sec. 6. Postmasters and other employees in the service of the Postal Savings Bank at the time of the transfer of said bank to the Industrial Savings Board shall continue in office until it is found from experience that any one of them is inefficient, when such employee may be removed according to rules and regulations which the board shall establish, with the approval of the Civil Service Commission, and the successors of those who may be removed shall be appointed under the rules of the Civil Service Commision."

The Post Office Department is already one of the most enormous, best organized, best equipped, and best conducted business plants in the world. In connection with the enlarged Postal Savings Bank it is proposed almost to double, or more than double, its utility at an increase of expense remarkably small when results are considered. This act will establish within the Post Office Department the largest, strongest and mose useful financial institution in the world.

There is to be no limitation as to the amount anyone may deposit. Letter carriers, rural and city, must accept deposits for the Postal Savings Bank, and deliver receipts as they must accept and deliver letters, money orders and parcels. Also they may, if desired, take certificates of deposit and checks to the bank, cash them, and return the proceeds to the owner. They are agents both of the bank and the people. What a service this will be to the masses of the people, who need not leave their homes or other places of business in order to deposit their savings or draw funds as they may need them! The Government thus maintains a perpetual open door to thrift and economy, the great permanent foundation of general prosperity. See also Section 18.

Every existing bank in the United States, in good

standing, as well as every post office and letter carrier, may receive deposits and make payments, and the banks may make loans, for the Postal Savings Bank, as provided further on in this bill.

Taking our population in 1910 (now, of course, largely exceeded) and the deposits in the existing Savings Banks of the State of Connecticut (which are far from being "unshackled" as here provided), as a basis of comparison, the nation would have in the Postal Savings Bank 54,-074,000 depositors (instead of a beggarly 600,000 as now) and $27,987,000,000 deposits instead of only about 140 millions as now.

These big figures are, in fact, *less than half as large as should be* the reality, for reasons which will appear further on.

Note that, incidentally, here is legitimate "government guaranty of deposits," simply because "Uncle Sam" is "custodian," as he is for money-order money, and one is "dead sure" of getting out what is put in. No "runs" on "Uncle Sam's" Postal Savings Bank "for fear," as is possible with all other banks.

"Sec. 7. Of the funds which are now or may hereafter be deposited in the Postal Savings Bank, not to exceed 25 per cent. of the balance of deposits at any time, may, in the discretion of the Industrial Savings Board, be invested in the bonds of the United States, bearing 3 per cent. interest, or bought in the open market at the lowest obtainable price or bought at such price from the Treasurer of the United States. Any portion of said bonds may, in the discretion of the board, be sold in the open market at the highest obtainable price or sold to the United States Treasury at such price. In times of war the bond investment specified may be increased in any amount up to 90 per cent. of the balance of deposits, and the rate of interest on bonds increased to 4 per cent., or in the discretion of the Industrial Savings Board."

This section affords financial preparedness for the nation on a scale hitherto unparalleled. The investment in United States bonds is an opportunity, not a requirement. The Postal Savings Bank will naturally tend to absorb all available United States bonds on the market, and thus tend to reduce the interest rate the United States will have to pay for loans. The right to sell any portion of the bank's United States bonds in case of need provides a liquid reserve power that is not excelled, if indeed it is equalled, in the financial world, since the bonds of the United States have a world market well-nigh without limit.

While the sale of U. S. bonds will be, as now, open to individual buyers, and such sale should be in amounts of billions of dollars, it is here contemplated that the great mass of small buyers will prefer that their own Postal Savings Bank shall buy and hold the U. S. bonds for them, their personal individual holdings being Certificates of Deposit in the Postal Savings Bank, which are always instantly available at par (as deposits in solvent banks always are available) and which pay depositors approximately the same rate of interest as the U. S. bonds.

Indeed, Certificates of Deposit in the Postal Savings Bank should earn depositors even higher rates of interest than do the U. S. bonds, because much of the bank deposits, being loaned "to highest bidders" offering good security, will command higher rates of interest than the U. S. need, or should pay.

"Sec. 8. No other investment of the funds deposited shall be made, but with the exception of a working reserve, the amount of which shall be determined by the Industrial Savings Board, the balance of the funds shall be loaned at the highest obtainable rate of interest on what, in the discretion of the Industrial Savings Board, is considered as adequate security, in manner as follows and as in this act further provided:

(*a*) Preference shall be given—

(1) To small loans over large loans.

(2) To short-time loans over long-time loans.

(3) Loans adequately secured by readily marketable collateral over loans on real estate or other less-readily marketable security.

(*b*) In accordance with the above the board shall, from time to time fix the rate of interest to be charged according to the supply of and the demand for loanable funds, the profit and security of the depositors being the basis of decision, the maximum rate for loans not to exceed 5 per cent. per annum.

(*c*) The borrower shall always be required to protect the market value of his collateral, as is customary with other banks making similar loans, either reducing the loan or providing additional security in case of falling market.

"Sec. 9. That the Industrial Savings Board shall give clear and ample publicity to its rulings as to character of securities required for loans and the terms of such loans, under the following limitations:

(*a*) Loans not to exceed 95 per cent of the market value of United States bonds or the bonds of States.

(*b*) Not to exceed 90 per cent. of the market value of such other securities as are now admissible investments under the existing laws of New York or Massachusetts for savings banks or as are estimated by the Industrial Savings Board as of equivalent good standing.

(*c*) Not to exceed 85 per cent. of the market value of wheat, cotton, or other non-perishable products, so called, in safe, adequately insured public storage, under regulations as the board may prescribe.

(*d*) Loans against marketable collateral shall be made at any Bank of Issue and Redemption provided for un-

der Section 15 of this act, in accordance with rules and regulations made by the Industrial Savings Board."

These sections contain conservative and practical provisions insuring the safe and proper conduct of the bank. The borrower must protect the market value of his collateral, and no collateral is accepted at its full market value. All borrowers are on an equal footing—the banker, the merchant, the farmer, the millionaire, the man of limited means. If any preference is shown at all, it is to the small loan over the large one. The farmer is enabled to borrow money on non-perishable products, properly stored, to the extent of 85 per cent. of their value.

"No other investments shall be made." The bank is to take no risks on rise or fall of market prices. It will loan only against good security, the borrower taking all market risks.

The laws of New York and Massachusetts are referred to above merely as examples of laws defining security. All the provisions of these laws may not be found applicable to the Postal Savings Bank, especially those relating to local bonds. The savings bank laws of all the States and of foreign countries should be studied and their best features adopted and covered by rulings of the board.

"Sec. 10. Not to exceed 50 per cent of the deposits in hand at any time may be loaned for such length of time, not to exceed 50 years, as the Industrial Savings Board may specify in its regulations, and with or without amortization, payments, as the borrower may prefer, to an amount not to exceed one-half the appraised value, on unencumbered real estate in States and Territories where laws for the protection of creditors are by the Industrial Savings Board deemed adequate and fair, in manner as follows:

(*a*) Through any national bank or other incorporated bank or corporation whose business is dealing in or guaranteeing real estate mortgages and which is subject to the

examination and control of the United States Treasury or of the banking department of any State which in the estimation of the Industrial Savings Board adequately protects depositors, loans may be made to an amount at one time outstanding not to exceed ten times the capital and surplus of the bank or corporation, which shall be required to guarantee the prompt payment of the principal and interest of the loans made through said bank or corporation.

(*b*) The bank or corporation shall be entitled to a commission of 5 per cent of the interest paid on such loan by the borrower (or such less per cent as the board may prescribe), who shall not be subject to any other charge except the necessary expense of examination of title and drawing papers, which charge may be fixed by rules of the Industrial Savings Board, all terms and commissions to be uniform throughout the United States."

Note that loans on real estate are to be made through banks and other financial institutions of established standing which guarantee principal and interest, for a small commission on the interest paid. The borrower pays the expense of examining title, drawing papers, and so forth. Savings banks generally lend more than 50 per cent of their deposits on real estate, while building and loan associations invest in this way nearer 100 per cent of their funds. The banks through which real estate loans may be made have established machinery and facilities for making loans. They have the necessary knowledge of local conditions and personalities. Self-interest will prevent them from making excessive or risky loans, and they can probably do this business at less expense than that with which the Postal Bank could itself organize and conduct a safe loan board. If they are compelled to foreclose, they will be entitled to such costs and fees as the courts allow.

The commission in the great cities allowed agents for

collecting rents is from 1 to 5 per cent of the rent—commonly 2 per cent for large buildings. The monthly collection of rents is certainly more onerous and expensive than the collection of interest on mortgages once or twice a year. Interest is the rent of money. The commission runs during the life of the loan and is payable annually.

Let us illustrate. A bank with $100,000 of capital will first loan its own funds to such extent as it pleases, under legal limits; then it may loan for the Postal Bank to any amount not exceeding $1,000,000. Interest on loans of $1,000,000 at 5 per cent is $50,000 a year; 5 per cent commission on such interest is $2,500 a year. Thus its loans for the Postal Bank produce a perpetual income of $2,500 a year, with trifling, if any, additional rent or clerk hire. How many times, under present conditions, are the banks compelled to quit lending because of lack of loanable funds? Here there will never be such lack.

Note further that this commission of 5 per cent is double that allowed for dealings on the New York Stock Exchange, and still further that it is annually renewed during the life of the loan, instead of being paid but once, as on the New York Stock Exchange.

"Sec. 11. Personal loans without requirement of collateral security by the Postal Savings Bank may be made in manner as follows:

(*a*) The borrower to make written statement showing his assets and liabilities; the amount of loan not to exceed $1,000; the length of time, which shall not exceed one year; the purpose for which the loan is to be used, which shall be in accordance with the stated purpose of this act; which statement shall be attached to the borrower's negotiable note.

(*b*) The principal and interest of the loan to be guaranteed prompt payment by a bank or corporation, as in

Section 10 of this act, which shall be entitled to a commission of 5 per cent of the interest paid thereon, or less, as the board may direct, the borrower being subject to no other charge, and the total of such loans at one time outstanding not to exceed five times the capital and surplus of the guarantor.

(*c*) The limit of the loans specified in (*a*) of this section, if after two years' trial is deemed too small for the best results, may be extended by the board from time to time to larger specified sums, the terms to be uniform throughout the United States."

These personal loans are to be made without collateral through the banks, other financial institutions, and so forth, which guarantee principal and interest, for an annual commission of 5 per cent on the interest. The bank through which the loan is made may exact what security it pleases.

These personal loans should amply meet the wants of small farmers, mechanics and even merchants, for short-time loans to provide for planting and marketing crops, or other temporary needs.

Here is the possibility of $1,250 additional income a year for the bank with $100,000 capital. Remember that the bank has the opportunity first to utilize its own capital on the "pick" of the loans. So we have an annual profit for the bank in question of $3,750 for handling the funds of the Postal Bank, the borrower getting his funds at 5 per cent or less. Now observe further, that this profit may be doubled by the commission received by the bank on the deposits it receives and maintains for the Postal Bank under Section 20.

As agents for the loan of Postal Bank funds there will be legitimate profit for commercial banks of probably $100,000,000 a year in return for honorable, highly useful economic service.

If the Postal Bank can earn its depositors 4 per cent,

commercial banks, with greater initiative, and warrant to take risks, which the Postal will not take, can earn their depositors even more—and they can always serve the worlds of commerce and manufacture as the Postal Bank can never do.

Nothing is more profitable—economically profitable—than simple, even-handed justice, which is here proposed for depositors and patrons of the Postal Savings Bank, and for the benefit of the nation in times of war or of peace.

"Sec. 12. To induce the largest possible savings and serve the greatest possible convenience, security and economy of use to depositors and to the Postal Savings Bank, the Industrial Savings Board shall cause to be prepared and issued certificates of deposit of the size and form, but different in color and appearance, of customary bank currency, the said certificates being of the following tenor and in manner indicated:

(*a*) Issued (year?) — January, February, March, April, May, June, July, August, September, October, November, December.

Day—1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31.

The United States Postal Savings Bank has received from (here the depositor will write his signature or not, as he pleases, thus identifying his signature on the back when he passes the same) $10 (or other specified sum) and will pay the same, together with all net interest earned hereon, the interest compounded semi-annually, on surrender hereof properly indorsed. If no signature is written, payment shall be to bearer. Interest shall begin on the first day of the month indicated by cancellations in the margin, and shall terminate the last day of the month preceding payment, also shall terminate five years after date of issue, but any certificate may at any

time be surrendered in exchange for a new issue of current date.

Issued and payable at Washington, D.C., but procurable or cashable through any post office or authorized bank.

(*b*) Certificates in this form shall be issued in denominations of $1, $2, $5, $10, $50, $100, $1,000, and larger, as the Industrial Savings Board may order.

(*c*) Certificates similar, but bearing no interest, shall be issued in denominations of $1, $2, and $5 and $10.

(*d*) To encourage the beginning of deposits, and also serve the convenience of those who desire them in preference to coin money, certificates payable to bearer, without interest, shall also be issued in denominations of 5 cents, 10 cents, 25 cents, and 50 cents, of size and form similar to United States fractional currency issued in 1862 and later.

(*e*) An additional form of Certificate of Deposit of similar purport to (*a*) shall be a Registered Certificate, issued in multiples of $100, the principal payable at any time on surrender, properly indorsed, the interest to be remitted semi-annually, all details, including manner of registration, being according to regulations of the Industrial Savings Board.

(*f*) Simple printed instructions for their use may appear on the front or back of each of the various certificates.

(*g*) These certificates shall not be legal tender nor in any way indicated as "money," but may pass from hand to hand by mutual agreement as is done in the case of "certified" or other bank checks.

(*h*) Checking accounts may also be permitted by depositors who carry an average balance over $500, at cities designated and in accordance with regulations made

by Industrial Savings Board, interest on daily balances to be paid on such accounts semi-annually."

You give the Postal Bank $10 in gold, or what will get the gold, and you prefer this certificate to gold because this earns compound interest. Printed tables will tell you its value at 4 per cent or other interest for any number of days, months, or years. The bank loans your gold, "on call," on security of municipal bonds, at 4 per cent; or on wheat or cotton for a month or a year at 5 per cent; or on farm mortgage, 5 years, at 5 per cent, to the highest bidder in each case. Whoever gets the gold, of course, deposits it again in the Postal Bank and takes a certificate like yours, and the bank of course loans the gold again, and so on, perhaps ten times over, so that $10 gold is earning possibly 50 per cent per annum, and the Postal Bank still has that gold to loan to the next man! This shows how banks have got rich in the past; how depositors will hereafter get, not rich, but each what his money fairly earns. Nobody wants to keep that gold any more than you want the man's yardstick when you buy 10 yards of muslin. If you get certificates of deposit, drawing no interest on their face, the bank loans the gold, just the same, and so earns increased interest on your $10, $100 and $1,000 certificates.

This "automatic money mobilizer" does away with all necessity for the clumsy, antiquated "individual accounts" bookkeeping methods, and will reduce bank expenses in that respect to one-fourth or one-tenth of present cost and be far more convenient for depositors, and just as safe as present clumsy method.

Instead of clipping coupons twice a year as in U. S. bonds, the depositor simply *pays out* part of his holdings, those he retains growing in compound-interest value.

These certificates of deposit, each virtually a "certified check" (certified by Uncle Sam) will be good anywhere in the U. S. just as gold certificates are good anywhere,

though the gold is in the U. S. Treasury vaults. Thus they will serve "for exchange" and tend to do away with the present cumbersome and vastly expensive "exchange" system.

Postal Banks will almost never pay out real "money" at all, but pay out, instead, because *preferred*, only its own certificates of deposit, which serve every possible purpose of real money, and every dollar of which earns interest for depositors every day it is outstanding.

These certificates will make the money in your pockets, cash drawer, or safe, draw interest for you while you hold them, for the next man when you pay them over—will buy anything which gold will buy—will buy gold itself. Nobody, but bankers (as basis for larger credits, and for foreign exchange) wants gold, which in possession earns no interest, but will prefer these certificates which in possession do earn compound interest.

Everybody, even pro-Germans and pacifists, will gladly turn over to the Postal Bank, in exchange for these certificates, every dollar he has, every dollar he gets in the future, that it may earn him 4 per cent or other interest—*all* will "flock" to deposit earnings in the Postal Bank as hungry men coming to a feast (no need for "Barnum circus" advertising methods, semi-hysterical, undignified appeals to patriotism to buy "Liberty Bonds," buy "War Savings Stamps") which by approval of all Postal Bank depositors will have preference to the extent of Uncle Sam's need for Postal Bank investments.

Every banker knows, as do most of the well-informed, that of all the so-called "money" in existence, nearly one-half of it is not at one time in any bank. Some of it is foolishly "hoarded" by those "afraid of banks," but most of it is just "idle money," in your pocket and mine, earning nothing, "no good" at all till we pay it out for something we want. Ever since banks were invented bankers have been trying to "corral" this elusive outside money, "going to waste" just as much as water running

over the dam instead of through the turbine is wasted (dam foolishness?). This simple device of a negotiable Postal Bank certificate of deposit will naturally and certainly as the law of gravitation, as the law of magnetism draws bits of iron, "chase" this "money" out of your pocket and mine, even out of knot-holes, stockings, tin cans and other hiding places, into existing banks, approximately doubling the foundation resources of banks. There it will be loaned, redeposited and loaned again, in a way bankers know how, till the near two and a half billion dollars of now "idle money" is multiplied to thirty or more billions of available useful "credits" —perfectly good, not so much because always "payable in gold," as because based on solid property assets, earning or growing into money or what brings money. This will practically nearly "double the money crop," and as doubling the crop of wheat, or cotton tends to "cut the price," so should this tend to reduce interest (the "price" of money) to Uncle Sam, when he wants to borrow money to fight with, or to you and me if we want to borrow to build a silo, buy a farm tractor, or build a home.

Obviously a feature of infinite value incidental to this plan is its incitement to thrift and saving—universal, far-reaching.

The present gold basis of all money will in no way be altered. Of course, actual gold will be called for only as limited commercial exigencies compel its use, because gold in possession earns no interest, while certificates of deposit in the Postal Bank in possession earn compound interest.

Take emphatic note that nothing is here suggested in the line of "fiat money" nor even of "inflation" of credits.

Every bit of paper is to be on "a parity with gold"—certificates of deposit are made so good they are to be preferred to gold.

The essence of "inflation" that is vicious, is so-called "money" not based on *reality*, or credits not based on solid security, but on "speculative" values, rather than on the earning, creating power in the investment made.

Here is proposed only ("inflated"?) credit to Uncle Sam, based on his power of taxation of over 100 millions of patriotic, money-earning, wealth-creating Americans—and loans to such "creators" of wealth only as are wanted for legitimate use and to borrowers who are able adequately to secure the loan—by, for instance, the pledge of Liberty Bonds, or of wheat, or cotton, or farms, or other things that are safely, on the average, fire, flood, and earthquake proof.

"Sec. 13. The Secretary of the Treasury is authorized hereafter to deposit any money in the Treasury, in the Postal Savings Bank (without requiring security therefor) as he does in other banks of deposit, and shall, so far as practicable to do so, make disbursements from the Treasury in the form of certificates of deposit in the Postal Savings Bank."

"No security" is required for deposits of Treasury funds, because in the Postal Bank they are in the custody of the Government the same as when in the Treasury itself.

Thus the U. S. Treasurer need not (but may do so) any more offer bonds for sale, but can simply issue them to the Postal Bank in exchange for certificates of deposit which he will pay out—the workman will prefer them to money for wages, the farmer for grain or stock, the mine owner for coal, and so on.

The U. S. Treasury may continue to deal with commercial banks the same as now, but with the Postal Bank also.

"Sec. 14. All banks in the U. S. may hereafter deposit their funds in the Postal Savings Bank, and certi-

cates of deposit issued therefor may be counted as part of their legal reserve."

Of course banks may continue so far as they desire to carry gold and other "reserves," and those having foreign relations, especially, may naturally do so to an extent, but these certificates of deposit represent such assets in the Postal Bank, and therefore serve the same end, and they earn interest for the depositing bank, while the gold they carry in reserve earns nothing.

Thus the Postal Savings Bank becomes a gigantic "ally" rather than competitor of existing savings and commercial banks—becomes *one* vast "reservoir" (not many thousand separate, competing banks) into which everybody, other banks included, pour deposits, and draw them out again, with interest, as wanted.

"Sec. 15. That at the county seat of every county in the United States, or similar civil divisions otherwise called, and in such other cities as the Industrial Savings Board may specify, post offices shall be designated as Postal Savings Banks of Issue and Redemption.

(*a*) Such banks of issue and redemption shall issue and record as required by the Industrial Savings Board certificates of deposit as described in Section 12 hereof, in exchange for bankable funds as per regulations made by said board, and may redeem the same, whether issued by itself or by other similar banks of issue and redemption, either in money or in new certificates of deposit, as the applicant may desire.

(*b*) Each depositor in said banks shall record his signature and address in duplicate with the bank on a record provided, as is customary in commercial banks, so that indorsements of signatures on backs of certificates may be verified when desired.

(*c*) These banks of issue and redemption shall supply minor post offices in their region, and letter carriers, with

facilities for serving all who desire to do business with the Postal Savings Bank, requiring such security as may be necessary from those handling the funds of the bank or its patrons.

"Sec. 16. The Industrial Savings Board shall designate 12 or more districts covering the United States, in a central city of each of which it shall cause to be organized a district bank which shall act as clearing and reserve bank for all the banks of issue and redemption within the district, in accordance with rules and regulations of the Industrial Savings Board.

"Sec. 17. The Industrial Savings Board shall further cause to be organized in the city of Washington, D. C., in the Post Office Department, a national central Postal Savings Bank, which shall act as clearing and reserve bank for the 12 district banks, and may have direct dealings with and oversight of all the county banks of issue and redemption as the Industrial Savings Board shall order.

"Sec. 18. Every smaller post office and every letter carrier may, in accordance with regulations made by the Industrial Savings Board (adequate bonds for safety being required), as convenient, keep in hand limited amounts of certificates of deposit, secured from the local county banks of issue and redemption, to be given to known applicants in exchange for bankable funds to be forwarded to the county bank of issue and redemption, and may also redeem small certificates of deposit as can conveniently be done. Such post offices and letter carriers shall also give proper receipts, to applicants, for bankable funds or for certificates of deposit, to be sent to the county bank of issue and redemption to be exchanged for money or other certificates of deposit, and deliver the same to said applicant in exchange for their own receipt originally given to the applicant.

"Sec. 19. Each county bank of issue and redemption and each district bank shall keep in hand such working balance as the Industrial Savings Board shall direct, the county bank forwarding any surplus to its district bank, and the district bank any surplus to the national central bank, and each of said banks shall make loans as authorized by the Industrial Savings Board, the county bank drawing for funds when necessary on its district bank and the district bank drawing on the national central bank, as the Industrial Savings Board may direct."

Briefly, these sections provide that Postal Banks shall be established in every county seat, other post offices in the county to be branches of the county-seat bank, under regulations of the board. The United States is to be divided into 12 or more districts, with a central Postal Bank for each district, which shall act as a clearing and reserve bank for the banks in the district and which may have supervision over the county banks.

"Sec. 20. Existing savings and other banks in the United States which desire and will submit to satisfactory examination and supervision of the Industrial Savings Board and are found of standing satisfactory to the board, may be made agents of the Postal Savings Bank, to receive deposits and pay certificates in accordance with regulations made by the board, and shall be allowed as compensation for such service a commission to be authorized by the board and not to exceed 5 per cent of the net earnings of the deposits, for which registered certificates (only) are issued, which said existing bank secures through its agency, such commissions to be uniform throughout the United States."

The provisions of this and other sections permitting any bank in the United States in good standing to become a deposit and loan agent of the Postal Bank would tend to strengthen rather than to injure by competition

any and every such bank. Their depositors would not leave them for the postal, because they can supply the postal certificates when preferred to their own. As private enterprise and initiative have certain advantages over public institutions, due to more accurate knowledge of local conditions and opportunities and better means of keeping in touch with them, the agents by offering slight additional interest inducement may secure enlarged deposits for themselves. To applicants for loans the agent may always loan his own funds instead of loaning the postal funds if he desires.

Note the profit to existing banks in this connection, illustrated in note under Section 11. Commissions for deposits are allowed only on those for which registered certificates of deposit are issued, as it would be too complicated and difficult to keep accounts in connection with other deposit certificates. It is believed depositors generally will prefer the registered certificates for all larger and long standing balances, and agent banks will of course work particularly to secure such deposits.

"Sec. 21. In lieu of the principle of amortization (which may be applied when the borrower desires) loans secured by real estate or other collateral may be made as follows:

The mortgage or other paper shall be drawn to secure any sum due from the borrower not exceeding the amount named therein for any time not longer than the longest time therein specified, the borrower thus being permitted to adjust the amount of his loan from time to time according to his needs and opportunities."

Under this plan, while the borrower would naturally make application for the largest loan which the pledged property would be sufficient to secure, his certificate being passed, he would actually borrow not the most, but the least, sum that would serve him, and borrow only as

it was actually needed, and would repay it as fast as he could, so as to stop interest, knowing that he could at any time borrow again if he should have need or find profitable use for the money. This elasticity of loans would be of almost incalculable value to the borrowers, to the bank, and to the community, stimulating enterprise, thrift, economy, providence, and would certainly be more desirable than iron-clad, unalterable amortization loans.

"Sec. 22. The Industrial Savings Board shall test the safety and practicability of making small and short-time loans to farmers and other producers in manner as follows, and in accordance with such other regulations as may be specified by the board:

(*a*) After the total balance of deposits in the Postal Savings Bank shall have reached the sum of not less than $1,000,000,000.

(*b*) The board shall select not to exceed 10 counties in various parts of the United States to make trial for a period of not less than one year, after which time, if in the opinion of the board the plan is successful, the method may be extended to many or all other counties.

(*c*) All persons desiring to borrow, without collateral security, any sum not to exceed $500 for a time not to exceed one year, each shall make a statement showing the amount of his assets and liabilities with their nature, in form and manner specified by the board, the amount of the loan desired, its length of time, and the purpose for which it is to be used, in accordance with this act, which statement shall be attached to the applicant's negotiable note.

(*d*) These applications shall be referred for approval or rejection to a committee of three persons elected by the applicants for such loans within the county and also to a committee of three persons elected by the depositors in the Postal Savings Bank within the county holding registered certificates in manner provided here following: Loans to be allowed must be approved by not less than two-thirds of the weight of vote of each committee and also approved by one or more experts appointed by the Industrial Savings Board.

(*e*) The two said committees to be elected in manner as follows: The postmaster to prepare printed ballots and send the same with return envelope to himself and send to each applicant for loan, and to each depositor in the county bank of issue and redemption having then, and three months previously, outstanding registered certificates of deposit. Each such elector, applicant, or depositor, shall be entitled to three votes, which he may cast for three, two, or one person of his choice. The persons so chosen, each having weight of vote according to the number of vote by which he is chosen, shall upon notice of the postmaster meet and choose three of their number to act as the committee, such electors balloting repeatedly as may be necessary to reduce the number to three. The committee thus elected, each member shall have weight of vote according to the cumulative number of votes by which he is chosen.

(*f*) The members of the committee chosen shall have compensation for services in passing on loans at the rate of 20 cents an hour, the time to be approved by the county seat postmaster.

(*g*) Applicants whose loans are accepted shall give the bank negotiable notes for the amounts and time approved, the same to be discounted by the bank at 10 per cent per annum, the applicant being given the proceeds less his pro rata of all expense of passing on the loans. After the end of one year, when all of the loans shall have matured, any profits to the bank on the total of the loans in excess of 5 per cent per annum shall be paid as provided by the board in rebate to those whose

loans shall have been promptly and fully paid, so that the net cost of the loan to the borrower may possibly be reduced to approximately the same as the interest rate on secured loans.

(*h*) If after ample test such method of loaning is found safe and profitable, the amount to be loaned to each applicant may, by rule of the Industrial Savings Board, be increased beyond $500, the increase to be uniform throughout the United States, and not to exceed $1,000. If some counties prove to be habitually unprofitable, while other counties prove to be habitually profitable, the board may withhold, temporarily, or longer, permission to make such loans from the unprofitable counties."

This section, as it specifies, is intended to be tentative and experimental. It is believed that generally throughout the United States practically all deserving wants of borrowers will be amply taken care of under Sections 10 and 11. But the possibility of use being made of this section will have a healthy influence on banks acting as loan agents under said sections, and this plan of passing on loans, the depositors approving or rejecting, the borrowers assuming limited mutual responsibility, may in time be extended to real estate and other secured loans.

"Sec. 23. Commercial and savings banks may make deposits in and draw upon county banks of issue and redemption to such extent as said county banks may be able conveniently to serve them, but may, without limitation, deal direct with the district banks and national central bank as per regulations of Industrial Savings Board, and certificates of deposit in the Postal Savings Bank may be counted as part of the legal reserve of all depositing banks."

If any bank should prefer to keep gold or other form

of so-called money as a reserve, it can do so; if such other form of reserve than certificates of the Postal Bank makes it any stronger, then it will have what advantage there may be in the increased strength.

Certificates of deposit in the Postal Bank are not legal tender but each is a certified check, certified by the United States Government, and is good anywhere. Certified checks of banks are not legal tender, but do they not serve amply every commercial want except in rare technical legal quibbles? If what is offered is good—as gold is recognized as good even when not coined—it does not need to be legal tender. If it is not good—accepted by custom—it is at best a promise and commonly in some measure a deception, and in the end the man who labors is the man who loses most by the fraud. Of course, the law of inviolability of contract will continue, and the debtor must always make good according to his contract, whether it is formal or by implication. Postal Bank deposits will always be good while the United States Government is good. These certificates legitimately meet the popular demand for "guaranteed bank deposits," because "Uncle Sam" is custodian of the deposits, as he is for money-order funds.

"Sec. 24. The board shall cause to be prepared and printed for the general public simple tables showing the value of $10 or other sums at compounded interest for days, months, and years at various rates of interest, such as will be useful to depositors."

This will be a matter so simple that any intelligent person can know the value of the certificates he owns. What are the net earnings of the Postal Bank will quickly be known, will be steadily the same, or only slightly or gradually varying from month to month, and will be published continually in papers and periodicals.

Of course, it will be the smaller certificates, $10 and

less, which do not on their face bear interest and are always worth par, which will mainly pass from hand to hand. Larger interest bearing certificates will pass principally in the same manner as the ownership of United States bonds passes, the market value of which is known every day.

"Sec. 25. Needless expensive records and statistics shall be avoided, but the Industrial Savings Board shall provide for such as may materially serve the interest of depositors and enable the board to annually report to Congress such information and recommendations as may be of service to Congress."

"Sec. 26. To the extent that the mails shall be used in facilitating the business of the Postal Savings Bank, either by the bank itself or by its patrons, the Industrial Savings Bank, shall provide special stamps for free use of the mails, keeping records so that approximately the actual cost of such postal service shall be paid by the Postal Savings Bank to the Post Office Department."

These provisions are matters of simple sense and justice, and encourage the most liberal use of the Postal Bank. Such use will be principally local, or within the county, and the actual cost of postal service for each transaction nearly infinitesimal; but whatever the cost is it will be paid by the bank at the expense of the beneficiaries, the depositors, and borrowers, and not of the taxpayers in general. This principle is maintained throughout the Industrial Savings Act.

"Sec. 27. The sum of $1,000,000 is hereby appropriated for any necessary expense, in the discretion of the Industrial Savings Board, in the rapid development of the Postal Savings Bank, the sum used to be considered only as an advance and to be repaid to the Treasury, with

interest thereon at 3 per cent per annum from the profits of the Postal Savings Bank, which is to be made self-sustaining without subsidy or other charge against taxpayers."

"Sec. 28. All provisions of an act to establish postal savings, etc., approved June 25, 191 and of amendments thereto not inconsistent with this present act, shall continue in force, and all other provisions are hereby modified or repealed, as are all other acts of Congress inconsistent herewith."

"Sec. 29. To the extent that certificates in Postal Savings Banks crowd out of use forms of paper money now in use, causing the depreciation of the market price of bonds of the United States used to secure their circulation, below par, the Treasurer of the United States shall purchase or redeem such bonds at par, issuing, so far as may be necessary to do so, other bonds of the United States bearing higher rate of interest and marketable at or above par."

This provision also is a matter of simple justice to bankers who have invested in such bonds because of the currency advantages they gave. The United States received par for the bonds and the consideration for the use having in part terminated, the Government should pay par for them.

Never have justice, patriotism, necessity, and business sense united more emphatically than in this Industrial Savings Act. It establishes a new and immense reservoir of capital on which all people and all institutions possessing requisite security may draw on terms of exact equality—a reservoir from which fresh streams of credit will issue to expand and multiply the channels of production. manufacture and distribution. The element of personal rivalry will not be known. A man, although he may offer perfect security, will not be told at the Postal Bank

that he can not be accommodated, because he has not been depositing there or does not belong to a certain business clique. The fact that this tremendous volume of credit is loanable at not more than 5 per cent will bring down and regulate interest charges everywhere. It will mean the economic independence of the American masses. The American people possess the means of creating this beneficent institution. They should demand its immediate erection.

Unshackle the Postal Savings Bank. Let the people's bank serve the people.

SENATOR SHEPPARD'S ARGUMENT

In the U. S. Senate, August 14, 1917, Hon. Morris Sheppard of Texas presented the "Industrial Savings Act," with the illustrative and explanatory notes (both here slightly revised and somewhat extended) and the following introductory argument:

"No step could be more vital to the successful conduct of the war than the conservation of the financial resources of the nation. The nations engaged in the present world conflict are straining every energy to obtain funds with which to continue the struggle. The most powerful aid yet rendered by the United States to its allies has been in the way of enormous loans.

As a part of its war program the United States Government recently called on its people for a loan of $2,000,000,000 at 3½ per cent. Another loan is to follow and still another as the war goes on. To-day no one may see the end. Congress has already authorized the Government to negotiate loans to the extent of $7,000,000,000. In addition, taxes are being imposed which reach into the billions and these are to be followed by others as the necessities of the most stupendous war of history develop. Furthermore, the cost of living has soared to appalling heights.

Any method, therefore, by which the financial resources of the American people or the American Government may be husbanded and multiplied will be of infinite value. In fact, it will be one of the determining weapons of the war. Men say that the aeroplanes will win the day, but behind the aeroplane must be money. Men say we must have modern guns and an ample supply of munitions and other equipment of the latest and most effective type. Behind all these must be money. Men say, and say properly, that our soldiers must be carefully equipped and properly fed; but before this can be done money must be had and in quantities never before realized by the human mind in this connection. Hand in hand with man power goes dollar power. In fact, at every stage in the prosecution of the war a supply of funds is an essential prerequisite.

Now, it is a well-recognized fact that the principal form of money to-day, both in war and peace, consists in paper evidences of credit, based on the confidence of ultimate payment in metallic money—mainly gold. The existing banking system, in mobilizing metallic money and in erecting thereon a tremendous structure of credit, has made modern civilization and development possible and is rendering a service to the world as indispensable as it is valuable. Efficient as it is, however, the present banking system in the United States had mobilized only about half the actual money in the United States at the opening of the present war. Since the war began about $1,000,000,000 in gold has been driven to the United States to aid in financing the enormous purchases made here by other countries. Most of this billion dollars will be attracted back to these countries after the close of the war by the higher premiums which they will pay for the means of reconstruction. This makes it all the more necesary that we should mobilize all the actual money in the United States, or as much of it as possible, in order to be the better prepared to meet the strain on our

credit system which will undoubtedly follow the disappearance of this foreign gold. Since it came here our credit system has expanded in the usual proportion. That proportion is about 7 cents of gold to every dollar of credit. When it goes, part of our credit structure will lose, and perhaps suddenly lose, its foundation. Therein lies danger.

In permitting about two billions of actual money to remain outside the banks, outside the channels of credit, we are allowing a Niagara of power to be wasted.

How may that money be drawn from the hiding places and made to serve the country by enormously increasing its credit facilities and its financial power? The banks have failed to get it, although our American bankers and financiers are among the earth's ablest and best. Evidently some other form of banking must be tried, in addition to, and in connection with, that we already have. Banking in one sense is the manufacturing of credit, and credit in the modern, practical sense means a promise to pay, based on metallic money, chiefly gold.

The answer is, let the United States become a permanent banker for the American people. Unshackle the Postal Savings Bank. Let the people's bank serve the people.

Recently the United States asked the people to lend it $2,000,000,000 at 3½ per cent. The response was immediate and inspiring. The people deposited that amount at once with the Government, because of absolute confidence in the safety of the transaction. Why not keep the Government depositary open permanently to the people? Instead of paying 3½ per cent interest on multiplied billions at stated periods, why not give all the people, so desiring, an opportunity to redeposit the interest due them, and thus to a great extent stop a drain on the Treasury and on taxation that promises to be tremendous? Most of the subscribers to the war loan will redeposit the interest in some bank, anyway.

Do you say that this is putting the Government into the banking business? The Government has already entered the banking business. Since we established the Postal Savings Bank only a few years ago, 700,000 depositors have placed therein $125,000,000 (since grown to over $140,000,000). And this has been done in spite of the fact that these depositors get only 2 per cent interest, while the ordinary private savings bank pays 3 per cent, and sometimes more—in spite of the fact that a number of restrictions are thrown around the postal deposit which the private banks do not impose at all—in spite of the fact that the Government redeposits these $125,000,000 in the commercial banks at 2¼ per cent, the banks lending it to the people at anywhere from 6 to 12 per cent, and at times more.

The Government practices an enormous injustice on its (near) 700,000 depositors. It pays them only 2 per cent for what is worth at least twice that much, keeping in mind the average interest rate on money. But the Government has demonstrated two facts of lasting significance. It has shown that the cost of mobilizing money through the Postal Bank is not more than one-fourth of 1 per cent, and it has earned in this way over $2,000,000 of profit on the limited business already done.

Nearly half of the population of the State of Victoria, Australia, is represented by depositors in the Government savings bank of that State. Over half of the people of the State of Connecticut is represented by depositors in the savings banks of that State. It is not unreasonable to suppose that the same or a greater ratio would be maintained as to depositors in a United States Postal Savings Bank offering 3½ to 4½ per cent interest. This means that the unshackled Postal Savings Bank of the United States would have from forty-five to fifty-five million depositors, and with the same ratio of deposits as is maintained by the savings banks of New York City to its population, the United States Postal Savings

Bank would have deposits of anywhere from twenty-seven to forty billions of dollars. Incidentally let it be remarked here that with deposits of forty billions the United States Postal Bank could have financed the entire $7,000,000,000 bond issue recently authorized by Congress by an investment of less than one-fifth of its deposits, an operation that would have been considered entirely safe and conservative under the strictest standards. At the same time the Government would be earning the interest due the people with the money they had deposited, and would be paying them a higher return than they must now pay by onerous taxation. What kind of business judgment is it that prevents us from taking a step so simple, so just, so logical as that of unshackling the present Postal Bank?

Savings banks in the United States easily earn 3, 3½, and 4 per cent for depositors. Their loans are made in accordance with laws specifying the nature of the security with such minuteness that the duty of making the loans is almost a purely ministerial one—simply that of tracking the law. Shall it be said that similar laws could not be enacted for the United States Postal Banks?

Are not the 700,000 depositors of $140,000,000 in the Postal Savings Bank entitled to what this money will earn on security recognized and defined by law—security recognized as of the safest sort—such security as every savings bank gets for loans, earning an interest rate twice as high and more than that now paid the depositors in the Postal Bank?

At this point let us summarize what has gone before:

1. The response to the call for the recent Liberty Loan shows the readiness with which the people will deposit funds with the United States. It is also an encouragement of the savings habit that will be worth as much to the people as the amount of the loan.

2. Why not make the opportunity of depositing with

the United States permanent and unlimited? The people would then have a depositary which could never fail, which would hold their absolute and lasting confidence. A perpetual encouragement of thrift and saving among the people would then be offered—the most powerful that could be imagined.

3. Existing banks have gathered for use in the development of the country only about half the actual money in the United States. Allow deposits to any amount in the United States Postal Savings Bank, and the remaining billions of money now scattered throughout the land in private and secret places would be assembled and would form the basis of a mightier credit structure than has yet been dreamed. The resulting impetus to business, to economic advancement, and to general prosperity could not be estimated.

4. Let the deposits thus assembled be loaned under laws defining the security, as is now so successfully done in the mutual savings institutions of the various States. Let the interest thus earned be returned to depositors, less expense of management, which expense has already been shown to be not more than one-fourth of 1 per cent.

5. Money at 3½, 4, and 4½ per cent would then be comparatively plentiful, where first-class security could be furnished. Interest rates throughout the country on funds for necessary and legitimate processes of production and growth would fall. Rural-credit systems would be made possible. A new reservoir of mobilized money would be added to that already established by existing banks, and the financial resources of the country would be developed to the highest point. Existing banks may utilize this reservoir by making loans of a portion of the funds comprising it, which loans they guarantee, receiving a small commission on the interest, and by acting as agents for receipt of deposits.

6. The nation would be prepared not only for finan-

cing the war, for financing the people on the lowest possible terms, for securing to them an adequate and safe return on their savings, but for the problems that will follow the war, for the shock which the withdrawal of immense quantities of basic money will produce.

7. Why should not a citizen receive for his savings all that such savings will earn when loaned on the best security? Why should not a citizen, possessing proper security, have ready and fair access to the assembled savings of the people for the essential processes of home building and production of life's necessities? These processes, properly safeguarded, afford in themselves the best security known to men.

With these preliminary observations I now direct attention to the bill I have introduced for the unshackling of the Postal Savings Bank."

Is not Senator Sheppard's argument, above presented, and even more fully in the notes accompanying the bill, here reprinted, absolutely convincing—unanswerable?

No attempt, or pretense, has ever been made in the Senate or elsewhere, to make intelligent answer to it. The committee to which the bill was referred has never given it any hearing or consideration—it has been simply "buried"—"pigeonholed"!

"Silence" seems to be recognized as the only "safe" way of opposing it. Discussion must certainly result in victory for justice to industrial wealth-creators: the "man with the hoe" and the tractor, the plane, the hammer, etc.

A BIG NINETEEN HUNDRED AND TWENTY ISSUE?

"Hindsight," Foresight, Shortsight

How near will be the "fit" to 1920 election will be the following, most of which appeared in a national paper just after the election of 1916?

It would be next to "silly" to point to a fundamental error of both parties in the recent election campaign were it not that doing so points to the wise course for the future.

Instead of keeping the country on the ragged edge of uncertainty for several days, one party winning, the other losing by a narrow margin, either party, had it been guided by the courage of statesmanship instead of largely by the cunning of partisanship—either party could have won victory overwhelmingly by the adopting and honestly, vigorously exploiting one little neglected "plank"—the shortest, strongest to carry voters ever forming a part of a political platform: "Unshackle the Postal Savings Bank"!

Not one voter in one hundred (perhaps one thousand could be safely said) knows what that means, but nine voters out of ten, when obvious facts are pointed out—justice, the square deal on one side, wrong, cunning, short-sighted greed on the other—nine voters out of ten, if not nearer ninety-nine out of one hundred, would stand on, stand by and fight for that "plank."

Those five words point not only to an economic issue of prime importance, larger, more far-reaching, infinitely more beneficent than even the Federal Reserve Bank bill

(not antagonistic to that), but they point also to a moral issue—one of plain equity for benefit of millions—and "the people" are always unhesitatingly, vigorously right when a moral issue is plainly put before them.

Here is an issue that appeals to both conscience and pocket of every man whose "profit" is not in "chaos" (there are some such) rather than in general prosperity.

We now have a Postal Savings Bank—a puny, sickly, "ham-strung" thing which some would like to see "killed," but it is so strongly guarded by the good will of the people that no "politician"—much less a "statesman"—would dare propose the law's repeal.

The heads of this Postal Bank occasionally issue a "bragging" bulletin telling of the great "success" of the bank—nearly 600,00 depositors, approaching $100,000,000 deposits—covering the entire United States, this!

Two, single, almost "unknown" savings banks of New York City each has larger deposits—over $100,000,000—and the total savings deposits of that one city are about $2,000,000,000 (two billion). "Success!!"

What does our present (our—you and I voters—are "partners' in this ignominious "use" made of "Uncle Sam!") Postal Bank "do to" its depositors?

It pays them two per cent interest (the last Congress ignobly provided that no interest should be paid on some millions of deposits!). And it cunningly, plausibly "manipulates" those deposits so that 95 per cent of them are turned over to bankers only for two and one-quarter per cent interest—to bankers only, who loan that money, commonly at six per cent, on the average to farmers at over eight per cent!

An "unshackled" Postal Savings Bank would, according to precedent of one such state bank (in Australia), have about 45,000,000 depositors, instead of a petty 600,-

000, as now, and instead of less than $100,000,000 deposits now, would have over $40,000,000,000, according to actual precedent in New York City and many a smaller city.

Don't imagine that an "unshackled" Postal Savings Bank is "antagonistic" to bankers, or to any worthy body—or imagine that bankers generally are charged with the "iniquity" of "manipulating" the present "shackled" Postal Bank law.

Bankers with brains, foresight, conscience and patriotism (generous supply of all four cordially recognized) will, it is believed, see, not antagonism but co-operation and help in the unshackled Postal Bank. Bank prosperity goes naturally with industrial prosperity, which this will enormously stimulate. "Patriotism"—this will provide resources of probably $5,000,000,000 to $10,000,000,000 for the United States Government at 3 per cent, in case of need, without perceptibly trenching on commercial funds. "Conscience"—it is not believable that honorable bankers approve of the way the Government is "used" to take advantage of the timidity and ignorance of trusting citizens (present or prospective) by loaning their petty savings at two and one-quarter per cent (as now under present Postal Bank law) when thousands of individual bankers would be glad to handle the whole of them, adequately secured, at nearly double that interest.

For those who have assumed the recent "Federal Farm Loan Act" sufficient financial legislation in that line, these points are made:

(*a*) This act will "mobilize the money" necessary for the success of that act.

(*b*) However efficient (many doubt) that act may be, it does not at all obviate the moral necessity of wiping out the ignominy and shame of "manipulating" the petty

savings of about 600,000 present depositors in the Postal Bank, so that they receive only about one-half the interest their money is worth in the open market.

(*c*) Nor does it right the wrong and injustice to probably 80,000,000 would-be depositors in or borrowers from the Postal Bank, now excluded from it by their very intelligence—they "know too much" to be "fooled" by a contemptible "two per cent."

The Nutshell Of It All

Make every post office, every letter carrier, servants of the Postal Savings Bank, as they now serve for money orders, registered letters and parcel post—equally as open to all, without limit, as for letters and parcels.

Of course the Postal Savings Bank will give depositors, not the ridiculous two per cent interest, as now, but whatever the deposits can be safely made to earn, as in other savings banks—three and a half to four per cent—or possibly nearer to seven per cent, as in average building and loan associations.

Of course the Postal Bank will loan its deposits, not to bankers only, as now, at the wicked two and one-quarter per cent interest, but to whoever (for legitimate use) will give adequate security, and the most interest, as in other banks.

Sample "$10 Bill" of proposed Postal Savings Bank "Money," provided for in Industrial Savings Act, the words "For Uncle Sam and World Peace" being printed in large type, over the face of the bill—size and form of ordinary currency.

(Face of Bill)

Issued 1918 Jan. Feb. Mar. April May June July Aug. Sept. Oct. Nov. Dec.

THE UNITED STATES POSTAL SAVINGS BANK

HAS RECEIVED FROM

(Here the depositor will write his signature, or not, as he pleases, this identifying his signature on the back when he indorses and passes it.)

TEN DOLLARS

(or another specified sum)

and will pay the same, together with interest earned (probably 4 per cent. per annum or more), the interest compounded semi-annually, on surrender hereof properly indorsed.

If no signature is written on face, indorsement is needless and payment will be to bearer. Interest shall begin from the first day of the month indicated by cancellation in margin and shall terminate the last day of the month preceding payment; also shall terminate five years from date interest begins, before which time this may be exchanged for a new issue of current date. For other details, see the other side.

Issued at Washington, D. C., but procurable or cashable at any Post Office or authorized Bank. Signed by authorized representative of

"UNCLE SAM."

(Back of $10 Bill, Postal Bank "Money")

If you have written your signature on face hereof, for payment or transfer, indorse it here as you do a bank check.

You may get certificates like this, in exchange for any bankable funds, wherever you can get postage stamps; get any denominations wanted: 25 cents, $1, $5, $10, $50, $100, $1,000 or larger; you can cash them at any post office or wherever you can cash bank checks; but you do not need cash, for *this* will buy anything gold will buy, or buy gold itself—is better than gold because it makes your money, in pocket, cash drawer or safe, draw interest for you while you hold it, for the next man when you pay it over.

Money deposited in Postal Savings Bank, for these certificates, will be loaned:

In times of peace not to exceed 25 per cent of balance of deposits, to the U. S., if wanted, at 3 per cent per annum.
In times of war any part, or all, up to 90 per cent, if wanted, to the U. S., at 4 per cent per annum.
Otherwise, loaned to anybody giving good security, satisfactory to U. S. Treasurer, always to the highest bidder, preference being given to the smaller borrowers, $100 to $10,000.

Certificates similar hereto, of denominations of $5 and under, but drawing no interest, will be issued, and reissued, if desired—though they earn the holder no interest, on their face, they *do* earn interest, for *all* depositors holding interest-bearing Certificates, because the money they represent is loaned for interest.

These certificates LEGITIMATELY meet the popular demand for "guaranteed bank deposits," because "Uncle Sam" is custodian of the deposits, as he is for money-order funds, and thus

This Unshackled Postal Savings Bank will have over 80 million depositors—loyal backers of "Uncle Sam"; 100 billion dollars or more, for war or peace—justice, economy, efficiency far beyond Liberty Bonds (marketable only at a discount!—no discount ever on these Certificates) or W. S. S.

LAND-RENT, MONEY-RENT AND RURAL CREDITS

Land-rent is the annual price a tenant pays for the use of another man's farm or other real estate.

Money-rent is the annual price (interest) a man pays for the use of another man's money.

When a man rents a farm and he deals, not with the owner, but with an agent or broker, the agent gets a fee or commission of, possibly, 5 per cent of the first year's rent. In the big cities, for big high-rent buildings the agent gets, commonly, only 2 per cent of the rent—we have heard of as low as 1 per cent instead of 5 per cent.

The Federal Farm Loan Act provides for twelve banks to act as "agents" in "renting money" for farmers. These banks are to get a "commission" for their services, as follows, under terms of the law as originally enacted:

If the bank gets the money at 4 per cent, the farmer is to pay 5 per cent—that is 1 per cent commission, which is 25 per cent added to the cost of the "money-rent"; not of the first year only, but a perpetual annual commission during the entire life of the loan, whether five years or thirty-five years. When the banks get money at 3 per cent, as they will in normal times (after the war), the farmer will pay a perpetual yearly "fee" of one-third the "money-rent" during the entire life of the loan.

In the "Robber Lair" of Wall Street, on the Stock Exchange, a broker will get for you $10,000 in railroad bonds for a commission of one-eighth of 1 per cent, or $12.50—not annual or perpetual, but just one payment of $1.25 per $1,000.

The Federal Farm Loan Act (for short F. F. L. A. herein) is here; it actually improves conditions as they were and it is wise to "make the best of it." We have heard of no Congressman, or other friend of the act,

who considers it as "final" or "ideal," only the "best that could be got at the time." This paper is not to antagonize, but to suggest improvement.

The Industrial Savings Act proposes to give the bank acting as "agent" in "renting money" for farmers, not 25 per cent or 33⅓ per cent, but not to exceed 5 per cent of the interest; and the "Board" which is to administer the act may reduce that but may not increase it. The chief reason for the difference in "commissions" to banks under the two acts is that the F. F. L. A. establishes special banks which can do no other business, whereas the Industrial Savings Act uses the facilities of all existing banks in good standing to which the 5 per cent commission becomes mostly that much extra "income" with almost nominal "outgo."

In "mobilizing" money" for farmers, the Industrial Savings Act uses the facilities of existing banks and those of the entire Post Office Department. It unshackles the Postal Savings Bank and according to precedent in New York City and many another smaller city, that alone would soon mobilize probably over $40,000,000,000—ample to finance farmers and oil all wheels of industry and commerce.

Study the Industrial Savings Act and see the many ways in which it improves on—supplements—the Federal Farm Loan Act, which it does not antagonize, but will help by mobilizing the money necessary to its success.

Another point of very great importance in regard to the Industrial Savings Act is that it is in no respect "class legislation" but serves equally *all* classes—workers of every kind, merchants, manufacturers—*everybody.*

A TREMENDOUS MISTAKE!

The greatest mistake, probably, made by the majority of the worthy host of those who seek human betterment, is the assumption that "legislation is necessary."

It is rarely true!

Without *one* new law to be passed by the nation or any state, honest workers have it now in their power to work their economic will, within the limits of what is wise and right. It is one particular object of this book to demonstrate this.

Just ORGANIZE! Standard Oil and the Steel Trust exist *in spite* of, not because of, legislation. Organize as *they* do, not "for talk," but for "business." "Conventions" and "Leagues," for agitation and "hot air," not their method.

Farmers and consumers, when they *will,* can equitably, wisely, legally organize strength far beyond the power of those giant forces.

"A Square Deal in Milk" is "a practical parable" showing *one* way to organize.

Emphasizing the thought "legislation not necessary," it may seem out of keeping to put in the very front the demand for *honest legislation* for the Postal Savings Bank, and legislation for "Transportation: National Ownership; Private Operation."

It is *not necessary* in the case of the Postal Bank, for "A Square Deal in Milk" shows plainly *one* way of "mobilizing money" and utilizing credit possibly fully as effectual—it is "not necessary" but it *is* RIGHT, and the people are *entitled to have it*—and it is in their power to exact it, when they *will* to do so by the means of even "three cents worth of patriotism" for each. Read on, and you will so admit.

A SQUARE DEAL IN MILK

Evolution of the Industrial Republic

(Both Producer and Consumer of all products of industry should note that the details of this "milk deal" illustrate what is practical in other lines as well. Milk prices quoted were prevailing prices at the time paper was written, and illustrate principles as well as would current quotations.)

About two hundred New Jersey farmers center about a village railroad station forty miles from New York City. The great suburban cities of Elizabeth, Newark, Jersey City, and others, lie nearer, and Philadelphia is a little farther away. Their milk product goes to all of them, selling to consumers rarely as low as 8 cents a quart, generally for 9 cents, or even more.

In the month of June the farmers are receiving only 2½ cents a quart, in July 2¾ cents, in May and August 3 cents. The cost of freight is under ¼ cent a quart. To these farmers the extraordinary difference between the price to the producer and the price to the consumer seems out of reason, and they decide to make an effort to reach a direct SQUARE DEAL WITH CONSUMERS in manner as follows:

A "Producer and Consumer Corporation" is organized, which we call "The New Jersey Industrial Republic." The farmers subscribe the necessary capital stock to start the business, $10.00 up to $100.00 or more each; 50% of the capital stock is set aside to be sold to consumers *when they want it,* the ownership of stock being strictly a "privilege" and not a "requirement" from either producer or consumer. The corporation sells to consumers at the customary retail price, 8 or 9 cents, more or less. Any profits are divided *monthly between producer and consumer* after allowing 10% per annum dividend on capital stock.

To illustrate: A farmer producing 80 quarts of milk a day, or 2,400 a month of thirty days, at the price of 3 cents a quart, gets $72.00 a month. Two hundred farmers with that average is 480,000 quarts, and $14,400 monthly for the farmers, wholesale price. A consumer using 2 quarts a day at 9 cents pays $5.40 a month, and there are 8,000 customers of that average to use the product, paying $43,200 monthly retail price. Assuming the average price to be 3 cents wholesale, 9 cents retail, and expense of delivery 3 cents (it is believed that the cost can be reduced to less than this), leaves 3 cents a quart profit to be divided, or $14,400 dividend, monthly.

Allowing 10% per annum on $20,000 capital equals $166.67, and leaves $14,233.33 monthly to be divided between producer and consumer, which is a little under 25% on the *gross* business done, or $17.78 extra a month, $213.36 a year, for the 80-quart farmer; $1.33 a month, $16.00 a year, for the 2-quart consumer. While the increase to the farmer is only about ¾ cent a quart, it adds probably at least 100% to his *profits*—indeed it is unlikely he makes ¾ cent on 3-cent milk. The consumer "rebate" gives him a price of about 6¾ cents a quart instead of 9 cents. If cost of delivery can be reduced to 2 cents a quart, or even less, as thought possible, increase of profits, or savings, is substantially more, for both producer and consumer.

The capital stock "privilege" figures out in a similar way. As the corporation sells *strictly for cash,* $20,000, possibly even $10,000, working capital, is thought ample for the business, which, to begin with, the farmers have to supply, an average of $100.00 each. As the capital stock is to have a dividend of 10% per annum before any dividends to producers or consumers, its ownership (with proportionate voice in control, of course) will be a "privilege" all right, to those who know it, *and* that

privilege will be in proportion to the business each does with corporation; a 40-quart-a-day farmer will have a *right* to own one-fifth as much stock as a 200-quart farmer. A consumer who pays $5.40 a month for milk will have a "right" to own stock in similar proportion to the farmer who gets $72.00 a month for milk. But the small consumer's "right" is for so small an amount of stock that few of them are likely to "claim" it—more of them would be likely to invest if the stock *could be had* in blocks of $100.00 or multiples. So in practice the capital stock is likely to be mostly in the hands of the farmers *until the business is well established.*

If $20,000 working capital is not ample, and $40,000 is required, please note from the foregoing monthly "dividend" illustration that only about $167.00 goes to capital compared with over $14,200 to producer and consumer.

If the necessary capital is not taken in small amounts, it may be sold in larger (10% dividend-paying stock will not go begging), but:

> It is an essential fundamental principle, guaranteed by its original charter and printed on the shares of stock, that the corporation always reserves the right to buy at par at the close of any fiscal year from the holder any portion of his own shares in excess of what he has a "right" to own by reason of his dealing with the corporation.

Example: If total capital stock is $50,000, and the total amount paid producers, plus the total amount received from consumers, is $500,000, that is a ratio of ten to one, and a producer of $800 worth of milk would be entitled to own, by purchase, at par, $80.00 in capital stock; a consumer of $60.00 worth of milk would be entitled to own $6.00 in stock, and so on. Any shares in "excess" of that ratio the corporation has a right to buy, at the close of any fiscal year, and to sell at par to those who own less shares than they are entitled to purchase.

> This provision will inevitably keep the power of control of the corporation in the hands of producers and consumers, making the "cornering" of capital stock and control and manipulation of the business by "capitalists" impossible.

Also, the large 10% dividend to capital guarantees its ample supply, and is no detriment to the producer or the consumer who has a right to own his just pro rata of stock; he simply pays from his one pocket into his other pocket that handsome 10 per cent.

Organization being completed and capital paid in or subscribed and subject to call, the first move is to buy or build a suitable creamery, and thoroughly modern and scientific equipment, and to put it in charge of a competent, experienced manager. Milk will be "tested" for solids, cream and cleanliness, and must reach specified standards to be accepted *at all,* and receive the lowest wholesale price. For tests showing product above the necessary standard, graduated premiums will be paid, milk above a specified high standard to be kept separate and retailed as "certified" (or under other special name) at a higher price. As the corporation will sell only for cash, farmers will receive their pay when they want it, instead of the middle of the month, for the previous month, *only,* as is customary under existing conditions.

As the "two hundred farmers" are the *only* patrons of an existing creamery, they naturally buy it, instead of building a new one, probably taking over the present employees—possibly also making an equitable and mutually satisfactory co-operative capital-and-sales arrangement with the present creamery owner.

The next move is to get the milk to the consumer at the least expense possible and get his money (of course

it already has a market, which is taken over). Let us see if modern, "scientific management" can not greatly improve upon existing methods. Now, the usual way is for a man and a one or two horse wagon to spend a large part of a day in distributing possibly 80 quarts, or even 200 quarts, driving "miles and miles," crossing and re-crossing the tracks of dozens or scores of other milk men, delivering "on credit" in most cases, collecting, if he can, monthly, or when he can—and paying the farmers (sometimes) once a month.

The N. J. Industrial Republic Corporation, though it may to an extent temporarily continue antiquated methods, will invest soon in modern, scientifically equipped motor milk trucks. A milk tank is built on the principle of a gigantic thermos bottle (in different shape), except that instead of the vacuum the space between the inner and outer walls will hold ice water. The tank will be divided into three compartments, one large, for standard milk, two smaller for cream and certified milk—its total capacity will be at least a ton of milk, probably over 2,000 quarts. There will be an air pump, worked by the motor, which will put air pressure into the milk tanks (scientific equipment will wash and cool the air) which will continually aerate the milk, forcing, to the last drop, the milk through accurate-measuring meters and faucets. The outside air and dust has no possible access to the milk. The tanks are of course cleansed with scalding steam, then cooled with ample running water whenever the milk supply is renewed. On top of the tank an ice-chest will serve to keep cold the cold water with which the between-walls space is filled when the milk supply is taken in—the ice water entering by a tube at the bottom, the warmer water gradually being drawn out at the top.

Two men and a boy will be the "team" to run the equipment, a chauffeur, a man to draw the milk and take the pay, and the boy to expedite service of customers. The truck will be almost continually on the move, high

gear or low gear as need to be, serving *every* house it passes, instead of one house in ten or forty as do the one-horse wagons—from early morn till late eve. It will have a regular route, and time so accurate, that customers will know when to expect, and be prepared to be promptly served—they will know it is to be *prompt* service or "get left." The corporation will supply metal or printed milk checks, $1.00 (?) value at a time, giving with each $1.00 value a "dividend check" to be redeemed in cash or in milk checks once a month.

Is it not clear that the corporation can by such equipment and methods supply better milk, give more satisfactory service, and at a fraction of the cost of delivery, than is possible by old methods?

How and where to find "consumers" to serve in a "compact body" instead of by present "scattering" and "guerilla" methods, is the next question.

It would seem natural to begin as near the producer's home as possible, with the county town, and gradually move toward the larger cities as the ground is thoroughly covered, and the corporation resources grow.

The county town of about 8,000 population—say 1,600 families, estimating 2 quarts of milk a day to the family, requires say 3,200 quarts a day. They are now served by probably thirty or forty or more men, most of them producing their own milk, the marketing of the milk rather than the value of the "milk route" being the prime consideration. Two or three of the corporation's "milk trucks" (instead of forty wagons) can cover the ground and do it better. The natural and expedient thing would seem to be for the corporation to buy out those forty "milk routes," the forty owning farmers coming into the corporation as "partners" with the original two hundred "charter members." The forty will be so greatly advantaged by the improved efficiencies and economies of the corporation, that small, if any, "bonuses" for "good will" will be necessary to buy the "milk routes."

Evidently the "county town move" by the program outlined makes small market for the product of the original two hundred "charter members"—it is simply *necessary,* in order to get that market, to "move on" to one or more of the big cities, and start ten or fifteen more milk trucks to market their 16,000 quarts of milk a day—developing from the corporation's existing market. Indeed, moving to the county town not only takes in the forty local milk-dealer farmers, but by the "efficient" example incites several hundred other milk producing farmers centering about the town to want to join the corporation. And there is no reason why they should not join, but every reason why they should. The absolute equity and common-sense of the plans of the corporation serving *mutually all parties* in interest, makes it natural and reasonable that all producers and consumers within tributary territory centering about great cities should join the corporation. One great corporation, on the simple, equitable plans indicated, would be far better than scores or hundreds of smaller corporations, which would almost necessarily to some extent compete with each other, and overlap, as do the one-horse milk men now.

When the corporation does enter the big cities, it should always be done systematically, completely covering such territory as it covers at all, at least *offering* to buy out on fair terms any "milk routes" in the territory to be covered. The consumers' right of "rebate" of an equitable share of the profits on the milk he buys, and 10% dividend on any capital stock he *chooses* to own, makes *every customer an active ally,* to influence other customers to come in—and obviously an approximate "monopoly" of all business within certain territory is essential to the least cost of delivering the milk—which is now a larger item than the original cost of the milk itself.

The one, practically sole, object of the "two hundred farmers" was to market their milk product at better prices

—possibly a few of them might have "dreamed," with a faint warming glow in the region of the heart, of altruistic service of certain city consumers, giving them better milk, and helping *them* to "cut the cost of living."

But if the corporation can serve them so well in the matter of milk, why stop at milk? Why not *buy* as well as sell? Feed (to make milk) in car-load lots, would be the first, natural step—then fertilizers the same way—then farm and home supplies generally. To make the largest possible purchases, and consequently the lowest possible cost for each, the "milk consumers" will naturally join the milk producers, in buying supplies, which all alike use. The natural consequence is that the corporation not only buys and runs the local creamery, but it buys the leading local general store, probably putting the merchant himself in charge, gradually buying other stocks of the other local stores, cutting out wasteful competition, vastly reducing by "monopoly" for the *benefit of all,* the cost of *all* farm and home supplies.

By this arrangement (the local merchant now "harried" by endless competition of little stores, *now* interested, fairly compelled to get from customers the highest possible prices for all they buy)—the corporation, and every member and patron of it, makes it to the *interest of the local merchant* to secure for them the *least cost possible,* and the best and most economical service possible *for everything they buy.* The merchant-manager's compensation, and that of every assisting employee, should be, in part, a small commission on the total amount of business done, also a small per cent on any *saving* in expense of doing the business—thus stimulating all to do the largest business possible at the least possible expense.

And gradually by similar co-operative common-sense, "efficient" methods, the farmers will market *all* their products as well as milk—and serve equally well the city consumers with all the products of the farm—and both

producer and consumer uniting in the purchase of enormous quantities of the products of the factories will get *them* as well as milk at least possible cost.

As the producers have for their convenience and economy their own local general store which will serve substantially all their local wants for supplies of all sorts, so they and the consumers within the "compact" territory where milk is supplied, will naturally establish *their* general store, in this the local consumers probably having dominating control of details as the farmers probably have at the country end. Here all kinds of farm produce will be supplied, and also substantially all sorts of other supplies for home consumption. Of course, the "country store" and the "city store" (the scores and hundreds of such stores which will naturally in time be established) will buy their merchandise *together,* thus using such enormous quantities that they will be able to get lowest possible cost prices—often taking the entire product of factories. The milk product of two hundred farmers, average eighty quarts a day; consumers averaging two quarts of milk, 8,000 families are served. Assuming an average of $400.00 a year to a family, the 8,200 families require $3,280,000 a year in "home supplies." Of course that group of two hundred farmers soon multiplies to two thousand or twenty thousand, and the consumers grow proportionately to eighty thousand or eight hundred thousand, and the "supplies" wanted to $32,800,000 or $328,000,000.

Notice that the distinguishing characteristic of this proposed Industrial Republic Corporation is, that it is *not organized to make money out of* "outsiders" but to *serve "insiders"* and *save waste* among themselves.

All "outsiders" have opportunity, and urgent inducement to *become* "insiders" on the same terms as the original organizers—thus doing away with the inevitable

stimulus to "competing" organizations, which prosperity always incites, under existing conditions.

Thus a "Square Deal in Milk" and a combination of business common sense, equity, and "scientific efficiency" will naturally lead to a general very great "cutting of the cost of living"—besides many other incidental benefits which will logically follow—as it is proposed to show in other pages.

FINANCING A SQUARE DEAL IN MILK

We have all heard of the man who "lifted himself by his boot straps." Never mind the joke on "self help"; if there is to be an "uplift" of the producers and the consumers, they are the ones to do the lifting—and they are abundantly able to do it, without outside help, as we shall see by applying a little common sense to the matter of financing this milk deal.

It always requires *some* capital to conduct any business. It is estimated that $10,000 capital will be ample to launch this enterprise successfully, after which further capital will naturally be attracted to it for the growth of the business to any extent desired.

Take note of the leading facts:

The two hundred farmers produce an average of 80 quarts of milk a day each, which equals 16,000 quarts a day, 5,840,000 quarts a year (cows do business Sundays and holidays) which at 3 cents a quart to the farmers brings them $480 a day, $175,000 a year.

Consumers averaging 2 quarts a day, 8,000 families use the product which at 9 cents a quart taxes them $1,440 a day, $525,000 a year.

This business is now actually being done, but through several hundred "middle-men" in several different cities, in which consumers are widely scattered. By "bunching" the consumers, and dealing *direct,* it is estimated at least

3 cents a quart can be saved in expense of delivery, which equals $480 a day, $175,200 a year.

Instead of 3 cents saving, estimate even 2 cents and there is $116,800, over ten times the required capital, *saved* in a year, the $10,000 in less than five weeks.

Another present fact: when farmers sell, as they do now, to dealers, it is the custom for them to get their pay (sometimes) on July 15th for the month of June, only, and so through the year giving dealers 45 days "credit," down to one day, an average of 22½ days. Call it 20 days only at $480 a day, which equals $9,600, pretty close to $10,000 capital the *farmers now actually supply* in form of credit to dealers. But if they sell *direct* to consumers, farmers *get cash;* estimate even 6 cents a quart (above expense of delivery) and $19,200 is accumulated (as good as "capital") even in 20 days.

It is evidently a very simple matter to raise the necessary capital! This is on the basis of the farmers supplying *all* the capital, which they would have to do till consumers are "shown" (like the "man from Missouri") when they will certainly demand their "right to their share" of the capital stock—the ownership of capital stock, to have "10 per cent dividends" being a "privilege" and not a "requirement."

The natural way of raising the $10,000 capital would be as follows:

The milk product is 16,000 quarts a day; capital wanted $10,000. That is in the ratio of 16 quarts of milk a day to $10 capital. So the farmer who produces 80 quarts a day would subscribe for $50 in capital stock, and all other farmers do the same in the same *ratio* of milk and dollars. Each would simply deliver milk and let the corporation collect and keep the money until the subscribed capital is paid for; in less than half a month, at 6 cents a quart, the capital would be paid in, and the farmers from that time on would get their money as often

as they choose to collect, instead of *part* of it at the end of forty-five days.

If some farmers were "too poor" to put up their little proportion of capital, their "right to purchase" capital shares would go to other farmers (or to outsiders) who could spare the money and would be glad to get the 10 per cent dividends.

If "10 per cent" dividends is thought "paying too high" for money, it may be answered it is only "from one pocket into the other," if each invests *his share*—as he *has a right to do* whenever he is ready to do it. Further, 10 per cent on $10,000 capital is only $1,000 a year, while the yearly dividend to producers and consumers of 16,000 quarts a day is estimated (3 cents a quart) at $175,200—so the "10 per cent" dividend "cuts a very small figure!" If capital is to be $20,000, or even $50,000, ratio would be increased accordingly.

Let us look at some other facts and figures of interest to producer and consumer.

Each of these two hundred farmers buys every year, of stock, feed, fertilizers, farm machinery, etc.—make a very low estimate of $300 a year, which equals a total of $60,000. He buys also of home supplies, food, clothing, etc., say $400 a year, which equals a further total of $80,000 or gross $140,000.

The 8,000 families of milk consumers buy also, of home supplies, say $400 each, or a total of $3,200,000 a year.

As in previous pages noted, it is most natural common sense for these producers and consumers who find co-operation in milk so satisfactory, that they co-operate also in regard to other home supplies.

The consequence is, that the farmers establish a co-operative store to handle that $140,000 a year of needed things for themselves (and possibly two or three times as much for their neighbor farmers) and the corporation also establishes for the 8,000 consumers' fam-

ilies possibly as many as eight stores, one for each 1,000 families, convenient of access. These nine stores, serving 8,200 families, buying a total of $3,340,000 a year, will naturally buy together, and divide purchases among the several stores, thus getting for each the lowest possible cost. (These stores could deliver a large portion of the milk at a good profit, even for a margin of one cent a quart.)

Of course these nine stores each requires some capital to carry stock of standard goods such as are daily wanted, say $2,000 each, for small stock, or $5,000 if capital is plenty, which equals $18,000 to $45,000 for store capital. This capital may be raised in same manner as the milk money capital, each producer or consumer having the "right to subscribe" in proportion to his dealings with the corporation.

But let us look ahead a little bit:

After one, or two, or three years it is the most natural thing in the world that the 200 farmers and 8,000 consumers have grown by gradual accretion from one pleased neighbor to another, to 1,000 farmers and 40,000 consumers, and indefinite expansion may be anticipated.

So it may be sensible to expand the capital stock of the Producer and Consumer Corporation from $10,000 to $100,000 or even more. It does not need to be paid in except as wanted, or is expedient to use.

But the prime object of the organization is not to earn big dividends on big capital, but to *save* producers and consumers in the cost of their purchases—save their legitimate earnings from the *wasting* clutches of needless "middle men." So instead of trying to attract capital by offering big "10 per cent" dividends, let us see if we cannot find a better way, and get capital for the corporation as *cheaply* as we can.

Start in the natural way with the two hundred farmers

whose milk the corporation buys, and who have not been used to getting their pay daily but used to getting a *part* of their due at the end of forty-five days—and even of that money most of them have saved a little and it is lying in bank unused, and *drawing no interest* —as banks usually do not pay interest unless money is left some months, and each farmer knows he is "liable to want to use" the money, and so deposits subject to call, and gets no interest. It is a low estimate that these two hundred farmers *average* $200 each of "idle money" in banks and pockets, which equals $40,000 "idle money." And the 8,000 milk consumers will perhaps average as much ($1,600,000 more idle money), though more of them will have savings banks accounts, where, however, only "undisturbed" balances draw interest—and they get less interest than this corporation can earn for them.

Let the corporation instead of keeping expensive and laborious "ledger accounts" with each farmer who delivers milk, pay them daily in Profit Sharing Certificates in form similar to following (we give idea, not technical words):

FRONT OF WORKING CAPITAL FUND CERTIFICATE

"There is due of
for supplies, cash, or other value received by the corporation the sum of

TWO DOLLARS (or as specified)

with annual interest, compounded semi-annually, as follows: after one month from date, 3 per cent; after three months, 4 per cent; after six months, 5 per cent; payable on surrender hereof properly indorsed, on conditions printed on the back hereof. Signed by president and treasurer of the corporation and countersigned by clerk issuing this certificate."

BACK OF WORKING CAPITAL FUND CERTIFICATE

"The other side is on following conditions: On presentation, properly indorsed, it is payable from the assets of the corporation (only) in advance of any dividends to capital stock, or of any profits to producers or consumers; certificates payable in order of presentation; the corporation has the right to defer payment temporarily, in an emergency."

The farmers put these in their pockets the same as money; when they want money they present certificates, and get it; or they pay them, instead of money, for goods at the corporation store; or they pay to any one they have occasion to pay, and he collects, or pays out in the same way. Whoever has a certificate that is twenty days old is likely to hold it, if convenient, ten days more and get the 3 per cent it has earned (a small matter, but *that much,* and "many littles make the muckle," which gratifies human nature); a certificate that has been held two months is likely to be held another and then get its 4 per cent; and so on. By this means the $40,000 or more "idle money" of the farmers will gradually accumulate in these Profit Sharing Certificates.

To the extent the corporation can *use* "capital" to advantage, it may *sell* these certificates to any of its producer-consumer members who have "idle money," little or much, in sums to suit—$10, $100, or $1,000; if "takers" choose to invest, for a *definite time,* making them payable *after* three months, or after one year, from date, the corporation may well pay ½ per cent more interest on them. Thus the consumers' $1,600,000 "idle money" will gradually accrue in this form.

The corporation's many thousand little sources of income aggregate a large total, and while the big city banks will not pay interest on the petty balances of individuals, the corporation on its large *aggregate* balance can readily get 3 to 4 per cent from some of the big solid city trust companies on *its daily balances.*

But it can do better than that, on most of its money, for itself and for its producer-consumer constituents. Instead of their paying (through the corporation) "10 per cent" dividends for the use of capital, they will pay an average of probably less than 4 per cent to their producer-consumer patrons, for the many thousand dollars the corporation invests in "store" stocks carried, and selling thousands of dollars a day, in its several producer-consumer stores.

To the extent the corporation gets "capital" in this way beyond its need to use, as above, it may invest a part of it, such as experience shows to be safe from being "called for," in more permanent form, where it will earn 6 per cent or more—which earnings go, of course, to increase the "monthly dividends" to producer-consumer patrons.

For instance, if farmers are to get 4½ cents for milk instead of 3 cents, as now, a farmer who has eight cows (his own, paid for) is very likely to want to increase his herd to twelve or fifteen cows. The extra cows at $75 each will call for $300 or $600. A "15 quart cow" is ready sale, any day, at auction for about $75; a 20 quart or a 30 quart cow commands price in proportion. He buys his eight extra cows, then sells the whole herd of sixteen to the corporation for a price safely below real value (to make the corporation absolutely secure) say for $800, with the right to keep them, to feed and care for them, at his own cost, and re-purchase them, paying, say by two cents a quart on their milk product which he delivers to the corporation, the re-purchase price netting the corporation its investment plus 6, or other, per cent per annum, which the "highest bidder" will pay for money supplied in this way.

Not one farmer in ten now has a silo, which is a great promoter of milk production, and a great source of

economy in production, so that *every* farmer wants a silo, and could *well* afford to pay even 10 per cent per annum for money to build rather than do without, and the majority of them want and need larger and better buildings and other farm improvements that would earn them big interest on the cost. Probably our "two hundred charter member" farmers could profitably borrow, and give good land mortgage or other security for $100,000, possibly $200,000 or more.

And without doubt many of our "eight thousand charter member" milk consumers are situated so they could use an aggregate of great sums of money, profitably, for which they could give good security.

In this form of certificates for "idle money" the petty sums of thousands of individuals are made always "available" because largely invested in "liquid" assets and solid securities, or are in bank drawing interest, and yet earn, or save, producers and consumers more than they get now—better, all things considered, than savings banks, or building and loan associations do or can pay them.

The sum of it all is: Producers and consumers have their own "economic fate" in their own hands, whenever they choose to exercise the little common sense and will-power needed to "get together." No need whatever to wait for "legislation"—which often only muddles and "mixes things up" and makes them worse—makes salaries and jobs for politicians and "favorites"—always distracts from efforts at "self help," which is already simple and easy. No need whatever to growl and whine about the "35 cent dollar" and the rapacious "middleman." Just reach out and *take* the 100-cent dollar, producer and consumer "shaking hands" direct—and "shaking" the needless "middleman" so far as we do not employ him as "chauffeur" to deliver milk, as store-keeper, clerk, etc., etc. Don't worry about what the "middleman" will do; he has shown his ability to take care of

himself—he will turn producer, and "hustle out" some of the shiftless farmers and mechanics by his industry, vigilance, skill and general "get there" ability.

OTHER WAYS AND MEANS

The details of this Square Deal in Milk are, of course, capable of almost infinite variation and possible improvement.

For instance: Instead of limiting dividends on capital to 10 per cent, *all* the profits might equitably be distributed in that manner, in which case, if retail prices were maintained as now, and "working capital co-operative fund" heavily built up at possibly 4 per cent, average, dividends on capital might mount to several hundred per cent. As each patron has the "right to own" capital stock in proportion to his patronage, the amount of capital stock would be so minutely divided there would be only a petty amount for each, and each, if at all inclined to "thrift," could easily own his share, so there would be no injustice to anybody—only dividends from one pocket into the other pocket.

But instead of maintaining needlessly high retail prices and turning consequent profits back in dividends, retail prices might, in preference, be lowered, or prices to "producers" might be correspondingly increased.

After the Industrial Republic Corporation has developed to so large a growth as to be a virtual "monopoly" (for the benefit of all, therefore no hurt or wrong to anyone) in its field, instead of itself being regulated by "supply and demand" *market* prices, a natural way to fix prices to both producers and consumers would be as follows:

A producers' committee (say of three—"too many cooks spoil the broth") could be elected by votes of all who sell to the corporation, each with a vote having

weight in proportion to his sales, as in the case of capital stock ownership.

Also a consumers' committee could be similarly chosen by votes of all who purchase from the corporation.

These two committees could fix prices to both producer and consumer by majority vote, or in a case of a "tie" could appoint referees in the usual manner.

LOCAL TRANSPORTATION

It is a present custom of our two hundred milk-producing farmers, that once a day each hitches up a one- or two-horse wagon and drives to the station with his milk. Sometimes two or more farmers "club" and haul with one team. But it is a general rule that from one to two or three hours of a busy day is "spoiled" by carting milk. Two hundred farmers × 1½ hours = 300 hours at 25 cents an hour = $75 a day, counted in milk, even at 3 cents a quart = 2,500 quarts of milk "spilled!"

Instead of this the corporation will invest in the necessary number of (2-ton?) motor milk trucks, built for the purpose, which will be run *all* day (perhaps double-shift, two "teams" of men—the truck does not get tired,—16 or 20 hours) which will not only collect the milk which is shipped to the city twice a day, at least, but will carry *to* the farmers their feed, fertilizers, store supplies, meat from butcher, etc., and even their mail from the post office, two or three times a day—the vaunted R. F. D. is "child's play," and outrageously expensive, compared with this "self-service" of the corporation! (Some people seem to think that *somebody else*—"Uncle Sam"—pays for the expensive R. F. D. carrier. *Of course* it comes out of the *taxpayer*, especially the *small* taxpayer.)

Experience would soon show what is the cost of running the motor truck, per hour, and per mile. Each patron's distance from station is measured and known, and

a tariff of rates is made safely profitable, per package, per 100 pounds, extra time off the road, or for needless waiting, etc., so that each patron will pay his just share. And as the corporation does this "cartage," not for "profit," but for "service," a systematic account is kept of receipts and cost of running, and once a year a dividend of such *profits* as the "Truck Service" shows is divided between the "chauffeurs" (for keeping down cost of gasoline, tires, etc.) and the patrons, in equitable portions based on what each has paid or done.

A RIVER OF MILK

The Big-City End of "A Square Deal in Milk"

How big a "river of milk" would three million quarts a day make, flowing at two miles an hour (fair speed for a river)? Quite a stream! New York City *ought* to have for its health, perhaps *would* have if cost, delivered, were what it should be, nearer *twice* three million quarts a day.

Without stopping at all to "bewail" and pity the milk-starved, dying babies, or to criticize the semi-idiotic (not to say cruel, wicked) business methods now used to serve city milk consumers, let us read once more "A Square Deal in Milk" and get familiar with the *country end,* and then proceed to make rational plans to get:

The best milk
at least cost
to all city consumers.

Start with the fundamental principles and plans of "Uncle Sam's Automatic Railroad Regulator"; as the nation "finances" the railroads, and the Men Who Pay the Freight "operate" the roads, for "utmost efficiency and least cost," so let the city finance a

NEW YORK CITY MILK CONSUMERS CORPORATION

and organize, also in a similar way, the Milk Consumers to "operate" the business, thus putting in charge the exhaustless, resourceful power of "self-interest" to "get results" right and cheap.

Start with one million dollars capital, all to be held by the city, the members of the "Board of Estimate" acting *ex officio* as "Ownership Board" of Directors, similar in plan to "Ownership Board" in railroad plans.

Then let the milk consumers of the city, each family

having one vote, and an additional vote for each additional $100 a year paid for milk—let these meet once a year in each election district and each vote for his personal choice for one director for the Milk Corporation. The best business men of the city would be candidates.

Hotel men, restaurant men, using thousands of dollars a year worth of milk, would naturally be specially active to see good men elected. The result would be several hundred, possibly several thousand, "directors" would be chosen. Let each of these men have weight of vote in proportion to the number of votes by which he is elected, and let these men meet and ballot repeatedly among themselves, as may be necessary, until the number of directors is reduced to (say) seven, each of whom will have power and weight of vote in the New York City Milk Corporation Board of Directors according to the "cumulative" number of votes by which he is elected. This would put in absolute charge of the corporation business, subject to the "veto" power of the "Ownership Directors," the ablest business men of the city, the really dominating minds, as estimated by the milk consumers, in control, "minority representation" being also present in equitable proportion.

These seven Operating Directors, with the fullest powers of any business board of directors, subject only to the "veto" power of the Ownership Directors, will organize and "district" the city and employ one first class business manager, with ample salary to warrant "the best," and such assistant managers and other employees as will be necessary to conduct the gigantic business—3,000,000 quarts a day, even at 10 cents a quart, would be $300,000 a day, over one hundred million dollars a year.

Note that none of these men will be of "political" standing. They will be put there by the "self-interest" of milk consumers, to secure best possible milk service at least possible cost, and there will be no temptation to

pay extravagant salaries and give "sinecure" positions to "favorites."

The Milk Corporation will have a right to the absolute monopoly of milk service of the city, but may, and will, permit such other service as will not conflict with the best service of the public generally. The "going milk business" will necessarily be taken over *as it is,* and "make the best of the situation."

The first, temporary, move will be to "district" the entire city and "license" and temporarily contract with, the milk men now serving so that each shall serve *exclusively* within the district he contracts for, supplying milk of specified quality at specified price, amply and promptly, to all wanting service. This arrangement should *at once* "cut out" probably fully one-half the present labor and expense of delivery and cut the cost to consumers from two cents to five cents a quart. "Licensed stores," only, should be allowed to sell milk on conditions and at prices specified, each having such ample territory as would warrant and compensate "best" service.

"Permanent plans" of the Milk Corporation should be a vast improvement on this temporary arrangement, and should still further reduce cost and improve service.

"Rome was not built in a day" and "scientific, up-to-date service," and "scientific management," could possibly come about only gradually, but rapidly.

The present big sterilizing plants would be taken over as soon a possible, altered, improved, enlarged as necessary for most perfect service. Present owners would, of course, be justly compensated. The present vastly expensive and clumsy "bottling methods" (to be retained perhaps in a limited way) would mostly be replaced by better and far less expensive methods.

Some hundreds (thousands before through with) of gigantic "thermos-bottle" automobile milk trucks, 2-ton to 5-ton capacity (2,000 to 5,000 quarts, or over) would be built—see general plans under "A Square Deal in Milk" (page 72). These purified at intervals by scalding steam and cooled by ample water and ice, would have the various grades of milk and cream "piped" into them at the sterilizing plants. The big trucks, especially, would serve hotels, restaurants and stores, "piping," under washed and cooled air pressure, required supplies into similar "thermos-bottle tanks," not on wheels, at the stores, etc. There, each local plant, being equipped with power and heat, streams of water and ice, would "faucet" or "pipe" the milk to patrons in suitable receptacles of glass, aluminium or tin. Cleanliness and sanitation would be perfect, cost of service greatly reduced. The smaller milk trucks would serve households direct, taking the place of the clumsy and ridiculously expensive milk-wagon service.

Next, to get the milk from the distant farms, of best possible quality and at "just price." Necessarily we must start with things as they are, and gradually improve upon them.

Gradually introduce into the country at the creameries the "gigantic thermos-bottle" idea, also into the cars for transportation, instead of the clumsy, far more expensive "40-quart milk cans." Thus milk could always be piped, aerated, cooled, far more rapidly, more cleanly, less expensively, reducing cost to consumers, while improving service.

"The price of milk at the farms," what of that? A *just,* even *liberal* price *must* be paid, or adequate supply cannot possibly be maintained. It is ridiculous folly on both sides to have "milk strikes" in city or country.

To KNOW what "just price" is, and to help promote adequate, quality, economic, milk production, the Milk Corporation should directly own and conduct a number of "experimental farms" under varying conditions, and should "tempt" individual enterprising farmers to "test" plans and "show results" by "prize" or "premium" offers. It can especially "finance" some of them, helping to en-

large or improve herds, build silos, buy land for pastures, drain, develop, improve, in any direction that may possibly benefit milk supply.

The Milk Corporation starts with a million dollars capital and the city supplies further as "need" and "results" warrant. Whatever "per cent" that capital costs the city (certainly less than half the average cost to individual enterprises) the Milk Corporation must charge milk consumers such price as will pay all expense of service, up-keep of plant, and such "dividend" to capital as the city pays in interest. No "subsidy," no "charity" is desirable in connection with the New York City Milk Corporation "River of Milk."

Cost of milk delivery through "licensed stores" should certainly be under 1 cent a quart, and delivery by 2-ton milk trucks serving *every* house and apartment they pass should be under 2 cents a quart; these items added to wholesale price to farmers should bring highest cost to consumers, even under present "war conditions," down to 12 cents and near 10 cents, and when "normal times" come again, prices would of course be still lower.

"Why Stop At Milk?"

"One thing at a time and that well done leads to excellence" is a good, wise old "copy-book" motto!

Make a "thorough job" of the milk program and when that is done, just change the one word "milk" in the title of our corporation and make it "New York City *Commodities* Corporation" and buy and supply all farm products in the same way, build mammoth "abattoirs" and supply the city's meat and "beat the meat trust" and the foolishly expensive "private meat shop" methods (bad as present milk methods), and so on with all "commodities" in universal use.

The "economic millenium" is not yet here, and will never come by "just talk," but it is easily within the reach of ordinary mortals by "practical sense" effort.

SELF-HELP THE BEST KIND OF HELP

A famous poet credits an ancestor of the writer with the wise saying (not original, evidently, as he quotes it):

"If you would be well served,
Serve yourself, and do not leave it to others."

Newspapers of all classes—Republican, Democratic, Progressive, Religious, Agricultural—are "chock full" of complaining, arguing, prodding, etc., because of economic and other conditions, and seemingly nearly everybody looking to Congress and legislatures to "set right" the "time . . . out of joint."

But *is* there, in fact, a cloud or other trouble in the economic sky which it is not now, without further legislation, easily within the power of those who are interested to "get together" and dispel, or overcome, far better than there is hope for legislators to do for them in the next hundred years?

As an example take the greatest, latest "achievement," the Parcel Post, against which nothing need be said, except to point out the easy practicability of something else *infinitely better.*

Here are the facts:

After years of clamor by "the people," Congress has provided that we may ship the little limit of 20 pounds (the original law) 300 to 600 miles for the sum of a little over 4 cents a pound = $4.15 per 100 pounds.

Before us lies a routine freight quotation, 100 pounds 400 miles for 28 cents (instead of $4.15)—or the *same* in "carload lots" for 13 cents per 100 pounds, and there is no 20-pound "limit" as to weight of package. Here is "bloated monopoly" railroad service at about one-thirty-second the cost of Government service!

The only advantage the Government gives is "local

delivery." It would be a "cinch" to contract for such local delivery, an average of three miles, at the railroad's charge for 400 miles, and thus "deliver," including freight, for one-sixteenth the charge made by beneficent "Uncle Sam"! "Uncle," it is expected, will do the job "at a loss"!

And it would be hard to name an article in general use which it is not easily practicable to have brought into any community within 400 miles of New York at "carload lot" cost of freight—shipped with other goods, of course, to the local stores of the "Industrial Republic"—coming, now, in that quantity every day in the week, to merchants. Thus with the "self-help" of co-operation Parcel Post becomes almost entirely needless, the self-help being "on the spot" and far-away the cheaper.

Are we a lot of impotent imbeciles that we can not get together and serve ourselves, when the service desired is a nearly universal want, and the matter is so simple as handling packages?

Why not "stop howling" awhile and get together and serve ourselves?

SEEN WITH THE EYES OF A BANKER

The following correspondence with one of the leading, ablest, and fairest bankers of the West—one especially close and friendly in touch with farmers—will interest many.

It finely illustrates the characteristic "conspiracy of silence" which prevails in financial circles regarding topics economic not first vouched for by "leaders" in finance.

It is an extraordinary fact that while the merits of the Industrial Savings Act Law has been brought to the attention of hundreds of editors, economists, business men, Congressmen, Senators, and has received the strongest possible commendation from many of them, not one word of sober, sane criticism has it received. Those who disapprove dare not discuss. "Silence" is the only answer. Even the "friendly" commonly seem "afraid," till the "consent of the governing" is given.

FROM THE BANKER—"It will be impossible for me to discuss the Industrial Savings Act. . . . Of course I have not been able to give the matter any serious thought. . . . We have just adopted the Federal Reserve Law and Farm Loan Law, . . . not ready for any further financial legislation. Thanking you for your letter, cordially yours,

"(A Leading Banker of the West.)"

(Name not given because his several letters were obviously not intended for publication.)

TO THE BANKER—I thank you sincerely for your long and friendly letter. But I regret exceedingly that you

avoid discussing even any of the plans of S. 2161 to "Unshackle the Postal Savings Bank."

I have great confidence in your ability as a banker, in your sincere patriotism and in your honor—that you would not willingly be a party to a mean or dishonorable act. I am anxious to see S. 2161 with the eyes and from the point of view of such a banker.

I had hoped you would have a word as to the moral wrong of "using" "Uncle Sam"—the Postal Savings Bank—to "manipulate" about 700,0000, mostly the provident poor, ignorant, timid foreigners, out of $2,000,000 to $4,000,000 a year interest on their money—loaning their hard earned deposits, now nearly $125,000,000, to bankers only, at 2¼ per cent., which could be loaned in the open market on the same security for about double that—which could be loaned to farmers on equally good security, for 6 per cent per annum or more than that.

Will you and I "stand by consenting," like Saul at Stephen's stoning, while such wrong is done? If your bank receives deposits from the Postal, you do even more than "hold the clothes of them that stoned"—you hold some of the "contents of the clothes" of them that are stoned. I do not at all believe you have done this consciously. "They know not what they do" is sad truth often applying.

Also I had hoped for a word as to the impolicy, not to say wrong, of practically prohibiting any use of the Postal Savings Bank by the entire mass of thrifty, industrious, intelligent Americans—too intelligent to be duped into using the bank under present conditions of the law. Over half the entire population, for instance, of the States of Massachusetts and Connecticut are now depositors in Savings Banks. On that basis over 50,000,000 of Americans would be depositors in the Postal Savings Bank if it were "unshackled"—simply made as "open" as are all other Mutual Savings Banks, instead of a beggarly 700,000 present depositors.

As a banking expert I had hoped to have your opinion of the following points in S. 2161:

(*a*) The plan for eliminating from 3-4 to 9-10 of the cost of bookkeeping, which might be adopted by existing banks, as well as by the Postal Bank. Why not?

(*b*) The plan for "mobilizing money"—which would probably double the deposits, even in your own bank—would as certainly as the law of gravitation, or of magnetism, draw into existing (and the Postal) banks, the nearly one-half of so-called "money" in existence, not now in any bank. Why not?

(*c*) The plan for completely eliminating the cumbersome and expensive present system of "exchange"—every Postal Savings Certificate of Deposit being good anywhere, as a "gold certificate" is now good anywhere—both being the "certified check" of Uncle Sam. Why not?

(*d*) The plan of one great Central Bank, which bankers rightly wanted and tried to get, under the Federal Reserve Law—a Central Bank which, as proposed in S. 2161, would be absolutely free from the objection of the "power of money control" which frightened the people from consenting to the bankers' plan. This plan makes it only one vast money reservoir on which everybody draws on the same terms, nobody possibly having power of control or of "manipulation." Why not?

(*e*) The plan for making a limited percentage of Postal Bank deposits available for "Liberty Loans," strengthening the hands of "Uncle Sam" for war, in case of need, beyond comparison with any other plan suggested, saving taxpayers enormous sums in cost of interest.

(*f*) The plan to "finance the farmer" amply, abundantly, conservatively, both short and long-time loans,

—yet doing for the farmer nothing at all that it does not do for any other legitimate industry—no "class legislation."

To sum it all up, is not S. 2161 "mathematically exact equity" in finance for the entire people—just one "Mutual Savings Bank" for everybody, in the custody of Uncle Sam, eliminating completely distrust and fear which now make "runs" and "money panics" possible in existing bank conditions—just national "free trade" in money and credits, not an iota of "fiat money" or "inflation" in it all? Why not?

Is it not all worth the "serious thought" you acknowledge you have not given? Why not?

Sincerely yours,

JOHN B. ALDEN.

NESHANIC, N. J.
August, 1916.

PROFITS AND PATRIOTISM

EDITOR NEW YORK TIMES:

In a recent editorial "Banks Ready for Liberty Loan" the *New York Times* says:

"Resources over 40 billion dollars." "Profits increased to 20 per cent on the total capital." I do not say, but others will say: "Does not that approach "profiteering" and the "nation bleeding"?

Further on it says: "Unprecedented earnings accompanied by a radical reduction in interest rates."

Here is where "the laugh comes in," for me—"I told you so," and tell you again now: Even bankers would make more profit if they would reduce interest rate on amply secured loans to legitimate productive industry

and commerce to 4 per cent than to hamper loans at 6 or more.

And as it says further on: "Our credit capacity might be called illimitable," but adds, "credit is being rationed as though it were scarce."

Unshackle the Postal Savings Bank, and give us free trade in finance, money and credits, and we will all prosper as never before.

Nothing is more short-sighted than grasping selfishness—of all *profitable* things nothing excels "godliness is profitable"—the golden rule. Try it and see, "big business."

With cheaper money, liberal, *safe* credit, tens of thousands of farmers would build silos, conserving feed now wasted, increasing meat production, lowering cost to consumer. Tens of thousands would buy farm tractors (at half present cost would enrich, enormously, the manufacturers), multiply man power, increase food and reduce its cost to consumers.

JOHN B. ALDEN.

NESHANIC, N. J.
March, 1918.

BILLIONS OF THREE PER CENT MONEY FOR UNCLE SAM

MY DEAR PRESIDENT WILSON:

You would have infinite satisfaction, I know, in seeing the results here proposed accomplished, incalculable help toward winning the war, beneficent for the masses in all the future.

A short study will show they would follow, as certain as the laws of mathematics and gravitation, very simple, as great things often are.

Here are only the barest outlines (but enough, I think, to be clear), so as to take little of your time.

Separately I send papers giving more of details and reasons why, all of course subject to possible improvement. Note that there is antagonism to no legitimate interest, favors sought for no class.

Sincerely,

JOHN B. ALDEN.

NESHANIC, N. J.
September, 1918.

LAGGING LIBERTY LOAN

EDITOR NEW YORK TIMES:

As to lagging Liberty Loan No. 4, the *Times* more than anyone else is to blame, because it is the most influential newspaper in the United States, and if it had used its influence in the interest of right, justice, and financial expediency, we would have had an unshackled Postal Savings Bank, and that with its eighty million or more depositors would have taken the entire six billion loan the first day—and ten billion more if wanted. See the inclosed sample $10 certified check (or equivalent) for "how" (pages 63-64 of this book). The right and expedient way is to unshackle the Postal Savings Bank. Then every loyal American will put every dollar he has, or thereafter gets, where Uncle Sam can use it when wanted—as naturally as hungry men come to a feast—no need for "Barnum Circus" semi-hysterical advertising methods to help, as we have been witnessing in press and posters.

JOHN B. ALDEN.

NESHANIC, N. J.
October, 1918.

TO EDITOR AMERICAN MAGAZINE

MY DEAR MR. SIDDALL:

Thank you sincerely for your courteous reply.

You need not have returned the "material"—plenty more of it. I send it back with some more—*note* especially correspondence with one of the ablest bankers of the West.

File these among your "archives" so by and by you can refer to and see how you missed the one greatest editorial opportunity of your life! If you *do* miss it!

I am not a "magazine writer," nor candidate for such a job—only an old editor and publisher who learned long ago to keep open eye and mind for good things.

Put some of your "experts" on this and *follow it up*, and you can make one of the greatest "sensations" "finance" ever saw—and *not hurt any honest man* even a little bit; 99 per cent of your readers will approve and applaud.

Make an advertising campaign of it—*follow it up*, and you can get hundreds of thousands of new subscribers—and incidentally put the most important plank in the next political platform of *both parties*, perhaps even name the next President.

Cordially yours,

JOHN B. ALDEN.

NESHANIC, N. J.
October, 1918.

POSTAL SAVINGS BANK MONEY

EDITOR NEW YORK TIMES:

Here is a sample $10 bill (pages 63-64 of this book) of proposed "Postal Savings Bank Money," and a short paper telling about it.

It is neither "fiat money" nor "inflation." It is on a

"parity with gold"; will make the money in pockets, cash drawers and safes draw interest. Is just a "certified check" for ordinary money deposited.

Will it not give Uncle Sam tens of billions of dollars extra resource for war, ten or 50 times better than W. S. S.?

Will it not work infinite economic good for the masses —and hurt or wrong nobody, but profit even bankers?

Will it not elect for next President McAdoo or Roosevelt, whichever champions it, or win next election for the party that advocates it?

Will it not conduce greatly to the honor of financial leaders who will *lead* rather than oppose?

Is this not, perhaps, a "re-discovery" of the "mysterious money" of Venice which in the middle ages helped give that city leadership in world commerce?

JOHN B. ALDEN.

NESHANIC, N. J.
December, 1918.

EDITOR NEW YORK NATION

Thank you for your letter. It would have been surprising indeed had you been so soon prepared to "advocate"! But I thought "Nation" a forum for discussing many things you will not advocate—where you allow "George to do it"! And I think perhaps you misapprehend a little. Do I really suggest anything "new"?—anything financiers do *not already* accept? I doubt. Look again.

The "Nation" has been a bold champion for justice from its beginning—(I was there, and applauded!) I propose only the "square deal" for depositors—and borrowers with good security.

The "Nation" has been an enemy of waste—a champion of thrift. I show how nearly one-half the foundation resources of banks are going to waste—like water running over the dam instead of through the turbine ("dam foolishness"?) and I show how to save and use it all—how to cut expense of bookkeeping 3/4 to 9/10.

Certified checks are not new—my "sample $10 bill" is simply a certified check for "thrift" deposits.

And so I might continue at length.

Would not the "For Uncle Sam and World Peace" get $50 to "help win the war" far quicker, far easier, than "W. S. S." get $1.00?

Yours very truly,

JOHN B. ALDEN.

NESHANIC, N. J.
September, 1918.

PASSING UNCLE SAM'S HAT

EDITOR NEW YORK TIMES:

"Take off your hat" to Uncle Sam, but never again offend his dignity by "passing his hat" for contributions!

The "volunteer" method of raising armies for war has come to be recognized, almost universally, as, at least, a mistake, unjust to the patriotic—inexpedient for the nation—opportunity for the "slacker." The ideal method is the "selective draft."

Why not recognize also the fact that the "volunteer" method of raising money for war is not less foolish—inadequate, unjust to the patriotic—opportunity for the slacker? Let us have instead the just, effective, expedient "selective draft" for money! The ideal plan for this is before Congress—see the Bill (free to any applicant) in the Record "The Industrial Savings Act" introduced, championed, clearly explained in a speech by Senator Morris Sheppard.

We have thus far witnessed four "campaigns" for raising money by the "volunteer" method, "passing

Uncle Sam's hat"—magnificently, patriotic, successful, but most undignified in much of its detail, semi-hysterical.

In the last campaign, backed by wildly patriotic, enthusiasm and effort, there was "volunteered" less than three per cent of the nation's wealth—less than 15 per cent of the money actually in bank (over forty billion dollars now)—not a dollar of which money would be (practically) taken out of bank—so "scarcity" is humbug—but simply transferred from one depositor's account to another's through Uncle Sam. It might have been otherwise (but "might-have-been" don't go). One old farmer put in one-third of his ready money in the First Liberty Loan; in the Second Loan he invested *all* he had, then borrowed as much more and put that in, and on the "Fourth" scraped additional, over 50 per cent of his anticipated yearly income. If *all* had done as well, Uncle Sam would have had over sixty billion dollars to spend instead of a petty six!

It is "easy"—nothing to brag about—safe, profitable, every dollar easily available in case of need ("at a little discount"—*shame* to Uncle Sam's credit!). U. S. 4 per cent Bonds have sold at 1.30 premium in times past —likely to sell at 1.50 premium in time to come.

Under the "selective draft" of the "Industrial Savings Act" (it is only an honest, "square-deal" unshackling of the Postal Savings Bank we now have) over eighty million patriotic American depositors would gladly back Uncle Sam with every dollar they have, at once, naturally, like hungry men coming to a feast, instead of being "drummed up" by undignified "Barnum's Circus" advertising methods as we have witnessed.

The entire six billion dollars would have been "on the spot" the first day—or sixteen billions—or sixty, if wanted.

An unshackled Postal Savings Bank is just plain, common-sense "free trade" in finance.

Do you know (as every banker does) that nearly one-half our so-called money is *always* "going to waste," foolishly unused, just as much as water running over the dam instead of through the turbine is wasted (dam foolishness?) and every bit of that money would through the unshackled Postal be put to use, practically "doubling the money crop" (you know what happens to wheat, or cotton, or eggs—for benefit of consumers—when you "double the crop?") all made to oil *all* wheels of industry and commerce."

The "selective draft" for money is good for peace as well as good for war! Look it up!

JOHN B. ALDEN.

NESHANIC, N. J.
March, 1919.

FREE TRADE IN FINANCE

(A LETTER TO EDITORS)

Senator Morris Sheppard, of Texas, who was Senate leader in getting Prohibition through Congress, has, for the third time, introduced in the Senate (and it will also be presented in the House) another bill, which, if successful, will be hardly less revolutionary—infinitely far-reaching and beneficent—in economic influence. Here are some of the things it undertakes to accomplish:

(*a*) About two billion dollars of legitimate, acknowledged "good money" power is now going to waste in the country—unused, earning nobody any interest, not even in the banks; this it will "corral" and by putting to use through ordinary money channels, it will multiply to probably thirty or more billion dollars, helping to oil all wheels of industry and commerce.

(*b*) Uncle Sam is now paying up to 4¾ per cent for

many billions of borrowed money, and will want a lot more; under this bill it will get him, as fast as he can make good use of it, ten billions or more at 3 per cent instead of 4¾.

(*c*) It will provide money, practically without limit in amount, except the limit of "good security," for farm loans, "housing loans," road building, irrigation, drainage, and for all stable safe industry and commerce, at not to exceed 4½ per cent interest.

All this it will do, not by "magic" or "fiat," but legitimately, conservatively, by inaugurating "free trade in finance," applying old economic laws: "Honesty is the best policy," "Godliness is profitable"—all via "unshackling" our present postal savings bank, which is now practically "hamstrung" by the short-sighted greed of comparatively few.

It does not antagonize existing legitimate financial methods, the Federal Reserve or other systems, but instead offers them opportunity for co-operation, and, probably a hundred million or more dollars a year of "new business" profits for existing banks, in return for valuable economic service such banks can readily render.

Get a copy of this bill from any Congressman, "The Industrial Savings Act" including "hearings" and Senator Sheppard's speech, and see what you think of it, maybe "lend a hand" toward "boosting" it through Congress, geting it out of "committee pigeonholes" where it has been promptly and surely buried in previous Congresses.

JOHN B. ALDEN.

NESHANIC, N. J.
July, 1919.

FREE TRADE IN TRANSPORTATION

(ANOTHER LETTER TO EDITORS)

A bill is now before Congress by which "Men Who Pay the Freight" are to solve the Transportation problem—for land, water and air. At least one-half "capital cost"—say a billion dollars a year or more—is to be saved producers and consumers (who "automatically" pay that cost ultimately in prices of what they buy) by using Uncle Sam's almost measureless good credit for "Public Ownership" of Roads, Ships and "Birds," which are to be "privately operated" by organizing "Men Who Pay the Freight," whose self-interest will "automatically" compel them to utmost efficiency of service, and utmost economy in cost, resulting in a further saving of billions of dollars a year for producers and consumers, also taking transportation completely out of politics. For use of Uncle Sam's credit, "Uncle" is to receive one-half per cent "profit" per annum, the same as the "allies" pay for use of his credit. Get a copy of the bill free from any Congressman.

JOHN B. ALDEN.

NESHANIC, N. J.
August, 1919.

LETTER TO A DISTINGUISHED SENATOR

MY DEAR SENATOR:

Here are some "Iowa ideas" (my father was one of the earliest pioneers there), some of which I am sure will interest you, and some points enormously important (or very foolish?), which I am confident upon careful study you will highly approve.

I will let marked items take the place of, and make needless, a long letter.

You will note that I have had *longer* experience with Railroads than even yourself!

Here "may I not" (W.W.) make incidental points, with much pleasure?

(*a*) Here is opportunity for you of measureless favorable publicity, to further your chance for the 1920 nomination for President.

(*b*) Two of the most beneficent, far-reaching economic measures ever before the nation, championed by you, wronging no one, will appeal strongly, favorably to more than nine voters in ten of both (all?) parties, will, more than anything else you do, make certain your winning the election.

Don't take the trouble to write me (if at all—I want nothing) till *after* you have made careful study of the inclosures, and of my book, "Peace and Prosperity," which I send, with my compliments, by mail.

Sincerely yours,

JOHN B. ALDEN.

NESHANIC, N. J.
July, 1919.

"BLUFF AND BUNCOMBE"

EDITOR NEW YORK TIMES:

Is it not plain as daylight when you look at it that "Uncle Sam's Automatic Railroad Regulator" is the practical, common sense, antidote to the proposed folly of Railroad Brotherhood's dictatorship of transportation?

Also that the bluff and buncombe of "nationalization" of Railroads and "all industries" is uncalled for foolishness, when there is offered the plain, practical "private operation" of roads by Men Who Pay the Freight, as provided in the "Automatic" plan?

As to "cost of capital" which you try to make appear of indefinite necessary "bigness" in contrast to Brotherhood's suggested 4 per cent, Senator Sheppard's Industrial Savings Act to "unshackle" the Postal Savings Bank, will, as certain as gravitation, provide at least ten billions of dollars at 3 per cent and an indefinite supply of it at 4 per cent to possibly 5.

Why don't you give publicity to these measures and *permit* their discussion?

I don't ask, or desire, that you mention my name, nor that of my book I sent (and you do not notice), but I challenge anyone to give a "reason why not that will hold water better than a sieve" as to either the Railroad or the Financial "free trade" plans the book proposes and clearly describes.

Respectfully,

JOHN B. ALDEN.

NESHANIC, N. J.
August, 1919.

"UNAMERICAN—VICIOUS"

MY DEAR SENATOR POMERENE:

Your characterization of "Plumb plan" for dictatorship of railroad transportation as "un-American and vicious" is justified.

Is not "Uncle Sam's Automatic Railroad Regulator" plan the full and natural *antidote* to that, and the best possible means of forestalling and preventing other inefficient, demoralizing forms for "government ownership" which threaten to come if it is to be a choice between that and the "exploitation" of all commerce by "capitalists," speculators, "manipulators," strikers, which we

have had in the past, and is sought by the "interests" to be continued in the future?

The "Men Who Pay the Freight" *now* pay, and suffer, for *all*. And what they pay is now *automatically*, in the prices of commodities, passed along to producer and consumer.

Put these "Men Who Pay the Freight" in charge and "self-interest" *compels* them to the utmost efficiency, and least possible cost, of transportation, and the benefit of that efficiency and reduced cost, automatically, by inevitable competition, is passed along to producer and consumer.

No "reason why not," as to this plan, reason that will "hold water better than a sieve" has thus far been given.

Look into it! Give it, or any possible improvement upon it in matters of detail, your greatly influential support.

Surely "justice and practical sense" appeal for it!

Very respectfully yours,

JOHN B. ALDEN.

NESHANIC, N. J.
August, 1919.

CLUBBING—OR *USING* PROFITEERS?

EDITOR N. Y. SUN:

They are a shrewd, energetic lot of fellows "the profiteers," who are now getting it "in the neck," and I am not the one to say they are getting more than they deserve.

But if the object of the onslaught on them is to "cut the cost of living," is it not a practical question to raise whether "clubs" are the best "cards" to "play"? I am of the opinion that in any case "the people" hold the "aces," the hand that can win, if wisely played.

In an interesting, thrilling experience I once had (no room or time for the story now), a friendly "poet" encouraged my fight by the couplet

> The many are always more than the few
> The people more than the printer.

That exasperating "high cost of living" is mostly made up of two foundation elements: cost of labor, and cost of capital.

The labor we can mostly do ourselves (speaking collectively and optimistically), so, as Rip Van Winkle said, we "won't count that this time"!

"Cost of capital," it is a matter of close to mathematical demonstration, can rapidly and in comparatively brief period, be cut about one-half by simple "free trade in finance" as clearly and equitably worked out in Senator Sheppard's (of Texas) Industrial Savings Act now before Congress. Look it up and "back" the Senator. Details free from him or any Congressman on request.

This will do more than any other one thing to cut the cost of living.

There are other things, of course!

The transportation problem "is an awful slice" in living cost. That problem will solve itself by means of "Uncle Sam's Automatic Railroad Regulator" now also before Congress, whereby the "self interest" (the most vital, persistent of economic powers) is enlisted, not to "exploit" everybody, but to *secure the greatest possible efficiency of operation at the least possible cost.* Look that up.

As to milk, meat and other such "secular" commodities, the problem is *"easy"!*

Of the "'cattle on (a hundred) thousand hills" not one in one hundred is owned by the "meat trust" or by the "milk trust" (which about doubles to the babies the price paid farmers) and those who *do* own the animals are

glad to sell to *any*body, *preferably* to anybody rather than the "trust" fellows.

As to "cold storage" of eggs, butter, poultry, etc., that is in public warehouses, same price for space to *anybody* and nothing to hinder *any*body from storing. And under Senator Sheppard's Act referred to such commodities, stored and insured, are good security for practically any amount of money—readily available at low interest when "free trade in finance," provided for, gets to work.

And "Mutual Aid Associations," National, Regional, Local, by another bill soon coming before Congress, are easily organized by 100 or more people anywhere and financed to any extent that is made *secure* and *profitable*, at a cost of 3 to 5 per cent for money. Look that up!

These Mutual Aid Associations will cause the "profiteers" to "get busy," in *competition*, to see who is best able to serve people "cheap," the profiteer, or the people "serve themselves," as another poet has said, is the best way, "if you would be well served."

There are more ways of killing a dog than "choking him on butter!"

Let the profiteers have the "clubs"—the "deuce"—but let the people play the "ace," and as "we win" let us be good-natured about it.

JOHN B. ALDEN.

NESHANIC, N. J.
August, 1919.

BLUDGEONS *AND*—BLUDGEONS OR?

TO EDITOR N. Y. TRIBUNE:

Wield the bludgeons vigorously against the meat, cement and other "profiteers," and multiply the ten commandments—"thou shalt nots"—to any extent that will

get paying results, but as Metsey said in "Jack Easy" "Stop a little" and think—which has done most for world betterment, the *ten* "thou shalt nots" or the *one* golden rule, "do unto others," etc.

If you really want to "cut the cost of living" to an extent worth while, give plain *justice*, and use "practical sense" methods that will put economic forces at work and compel those now "profiteers" to work *for* instead of *against* producers and consumers.

Competition, get it rightly to work, will go further than philanthropy any day in "cutting cost" of things desirable.

"Free trade in finance," an unshackled postal savings bank, as per Senator Sheppard's Industrial Savings Act now for the third time before Congress, will cut the average "cost of capital" (more than any other one thing boosting "cost of living") approaching one-half, rapidly, in a few years, and multiply enormously opportunity and employment for labor—"profitable" even for capital because multiplying also *its* opportunities.

Give *justice* to the "Men Who Pay the Freight," paying now and always, dividends on railroad bonds and stocks, paying the enormously swollen railroad employee's wages—and necessarily "automatically" passing that cost along to producer and consumer in the price paid for commodities transported—make these Men Who Pay the Freight responsible for transportation by means of "Uncle Sam's Automatic Railroad Regulator" (pages 5-21 this book)—the one sure antidote for "Plumb Plan"—and the "self-interest" of freight payers would *compel* them to utmost efficiency of railroad service, and utmost economy in cost of service—these good results being automatically passed along to producer and consumer.

There are, of course, other things to be done also, but these two, free trade in finance, and free trade in transportation, will be quite sufficient to nail up the coffin of

Bolshevism in this country—set the wheels of prosperity "buzzing," pour oil on the troubled waters of our great stormy sea of discontent.

Very respectfully,

JOHN B. ALDEN.

NESHANIC, N. J.
August, 1919.

ASK THE MEN WHO PAY THE FREIGHT

EDITOR NEW YORK TIMES:

Sometimes—often—it is an intellectual delight, and great moral satisfaction to read your editorial pages. To-day's entire five columns are "prime"—language, logic, humor, courtesy, fairness in criticism, all highly commendable, even where one cannot agree with your conclusions.

The one special fault I find is your sometimes "silence," avoidance of discussion, especially of some topics financial and economic.

Why will you not give the "Men Who Pay the Freight" a "show" on this railroad problem? I have studied that from their and the producer's and consumer's standpoint since I first read Herbert Spencer on it, away back in 1864, and my reason tells me that this vast body, representing the best business brains of the nation, the men who now pay, in transportation cost, all R. R. employees' wages, all interest on R. R. bonds, all dividends on R. R. stocks, are *the men* to solve the R. R. problem *justly* for investors, *expediently* for producers and consumers, *peaceably*, stopping the ceaseless economic war we have had for generations, and have in eternal prospect under all plans I have seen yet discussed except this one.

Under the plan proposed there would be saved probably near a billion dollars a year in "capital-cost" by using Uncle Sam's almost measureless good credit for "public ownership" of railroads to be "privately operated" by organizing the "'Men Who Pay the Freight" —whose "self-interest" will automatically compel them to the utmost efficiency of service and utmost economy of cost, resulting in further saving of billions of dollars for producers and consumers and taking railroads completely out of politics.

The "national ownership" proposed has for one of its special, most important objects the forestalling and preventing the inefficient, demoralizing kind of "government ownership" which threatens to come, if it is to be a choice between that and the "exploitation" of all commerce by "capitalists," as in the past, and contemplated in the future.

Surely it is *the* scientific "antidote" for the "Plumb plan," for instance? Plumb has seen and is "afraid" of it. I put it before one of your own very strongest, sanest representatives, and, to my surprise, have his letter of most cordial praise of special poinits. He has kindly referred it to one of your wisest, fairest "giants," Daniel Willard, for which I am grateful and glad. But though "Daniel is wise," he is not "it," and I want to see this put before the "Men Who Pay the Freight" themselves, for thought and discussion.

You have the carefully studied details inclosed. It is short, its "copyrighted" does not prevent your free use of it; it has thus far had almost no "publicity," but it *will* have it!

Cordially yours,

JOHN B. ALDEN.

NESHANIC, N. J.
August 29, 1919.

A SENATE COMMITTEE HEARING

August 22, 1919, Senator Morris Sheppard and John B. Alden were given a hearing before a Committee of the U. S. Senate to which The Industrial Savings Act has been referred. Pages 25 to 66 of this volume give, substantially, what Senator Sheppard and Mr. Alden had to say.

As customary in such cases the Committee had referred the Industrial Savings bill to the heads of the present Postal Savings Bank for their comment, and Hon. A. M. Dockery, Third Assistant Postmaster-General, in charge, made drastic criticism which appears in full in the public hearing, which is, of course, accessible to all interested. To this criticism Mr. Alden, by desire of Senator Sheppard, made reply as follows. The substance of Mr. Dockery's criticism can be readily inferred from the reply.

To avoid multiplying words and make connection clear I number correspondingly the paragraphs of Mr. Dockery's report and of this reply:

(1) "Sweeping change." No change that I know of is proposed except as the Industrial Savings Act introduces the element of competition, for the benefit of its contemplated 80,000,000 or more depositors of money, and of small or large borrowers of money.

(2) "Large discretionary powers." Treatment of depositors and of borrowers is attempted by the law to be minutely, carefully, conservatively defined, only discretionary power being given such as is usually exercised by any bank board of directors. There will be no objection at all to any "sharply defined" powers that will benefit service.

(3) "All reasonable demands." Commercial banks universally, so far as I know, seek deposits without limit in amount. Why not the same privilege, if depositors

desire, for the postal bank? Millions of thrifty, patriotic Americans want to know why.

(4) "Five per cent of all deposits in Treasury" without interest is the present law. The proposed law puts 25 per cent there, for the use of "Uncle Sam," at 3 per cent (as the writer advises) which goes to depositors, instead of 2 per cent as now. This fund in the Treasury would rapidly absorb the entire national debt, and would almost immediately put at a premium all bonds of the United States now outstanding other than a few 2 per cent bonds which would be redeemed at par.

(5) "Highest obtainable rate of interest, not over 5 per cent." Why should depositor's savings be loaned at 2¼ per cent when the market price for money, with unquestionable security, is from twice to three or five times 2¼ per cent?

(6) "Through any national or other bank." The entire funds of the nation thus become, in a most conservative way, one vast reservoir, on which any bank or person, offering adequate security, may draw, into which any may pour his savings, with certainty of availability when needed.

(8) The section here referred to is, as it states, tentative, suggestive, experimental—to encourage self help and co-operation—incidentally to stimulate existing banks to liberality towards savings bank patrons. This section is not at all essential to the general plan and could be omitted, but may possibly be exceedingly helpful and surely can do no harm.

(9) "Surrender deposits—depreciated collateral on hand." On the contrary, such banks may increase their use of postal bank money many times over, the same collateral being perfectly good—only banks will have to pay the market price (less a liberal commission) instead of unjustly having it at less than half market price as now.

(10) "Withdrawable on demand." Yes, almost the

entire bankable funds of the nation are now "withdrawable on demand" and are never, in net results, "withdrawn"—over 40 billion dollars of such money in existing banks. "Tom" may "draw" but "Dick and Harry," all experience shows, put in more than "Tom" takes out, so that the balance is practically always increasing, instead of being "withdrawn." Furthermore, the new forms of "Certificates of Deposit" are such that "payable on demand" is practically only a "form of words," because the certificate itself will be accepted by anybody the same as money, generally preferred to money because safer, preferred to gold itself because it earns its holder compound interest which gold, or so-called money, does not.

(13) "Latitude for administrative discretion." If the proposed form of certificates can be improved, by all means suggest the improvement. Some are of the opinion that "administrative discretion" has in the past "emasculated" and "hamstrung" the present postal bank law, preventing rather than inviting patronage. The proposed forms of certificates, as illustrated under the section describing them in the present hearing, will tend to approximately double the present resources of all banks by putting through the "turbine" vast financial power that now is wasted—"running over the dam."

"Might infringe right of private patentees." The writer will undertake to "dodge" any such danger—but if that is unavoidable, perhaps "Uncle Sam is rich enough" to buy the patent in the interest of 80,000,000 or more postal-bank patrons.

(14) "System of identification." First, I reply: The industrial savings act undertakes to serve 80,000,000 or more intelligent Americans who don't need extra service of identification, instead of serving only a limited few ignorant foreigners who can't read, write, or speak English, and such millions of depositors will gladly "chip in" as taxpayers to "educate" the ignorant. If a few need

"guardians," why may not such guardians be appointed —not everybody subjected to needless annoyance. Second: The act provides the protection and identification which is the universal custom with commercial banks, that of the written signatures of depositors who want that service; it goes further than is customary with banks by signature on the front of certificates serving to identify the indorsement on the back when passed.

(15-16) All this is abundantly answered in paragraph 14. Registered certificates of deposit are an additional protection and convenience for those who want them. The "more than 80 per cent foreign born" are not so stupid as one might infer from their treatment. Indeed, we do not fear to sell one of them a Victory bond without first requiring identifying answer to such irrelevant questions as "What was the maiden name of your wife's grandmother?" If one of them loses a nickel, or possibly even a $5 national bank note or $10 Federal reserve note, he may have our sympathy and our free advice to be more careful next time, but the banks issuing those $5 and $10 notes are not called on to "make good" his loss—they are "in" that much and the poor "dago" is "out."

(17) Where and why the United States Treasury should deposit its funds, should surely be questions of profit and service for the Treasury, and of those with whom it deals, and no suggestions have been made of "discrimination" against Standard Oil, Wall Street, or other banks. If the postal savings bank earns and pays depositors 4 per cent, as it certainly would that, or more, under present conditions, the Treasury would receive that same per cent on its balance instead of half that or nothing, as has been customary.

(19) If there really are some county seats in the United States too poor to have need of postal savings bank service—too poor to be able to afford a fire or burglar proof safe—our proposed law of course wants

amendment and "latitude for administrative discretion" (see paragraph 13) might be enlarged to cover this condition.

(25-26) "Untold accounting difficulties." Is there not something wrong with the telescope or microscope, whichever it is, through which these difficulties are being viewed? All these various populations actually exist and are now, in a way, being served by the post office—money orders are issued and paid, registered letters cared for, and the industrial savings act simply proposes to do more of it, better, less expensively, and have such accounting as is customary or as intelligent service demands. I protest that nothing is proposed that is not simple and feasible. Bank commissions on loans made, or on registered certificates of deposit made, are certainly as simple and easily taken care of as registered United States bonds with semi-annual payment of interest.

(28) "A large corps of clerks in Washington." They certainly would be required. It is virtually a mathematical certainty that an unshackled postal savings bank would rapidly grow and soon attain to magnitude approximating if not exceeding, the combined national bank and Federal reserve systems, far more an ally with them than a competitor. Its field would not be like that of commercial banks; its work and methods would be infinitely less difficult and complicated. But its forty to fifty billions of deposits, to rapidly grow toward twice that, would warrant a "large corps of clerks." Its "first chief, second chief, and third chief," its real heads under the general oversight and advice of the President's Cabinet, would of course be men of caliber and experience, on a par with the heads of the Federal reserve bank, and such able assistants as the immense magnitude of business would warrant.

County banks of issue and redemption would more than double the importance of the county post office, and would warrant and demand better men than political

figureheads—they should be, would be, men of large business, even banking, experience. The unshackled postal savings bank would be the "real thing," not the "make believe" we now have.

(29) "Certain sections of the country would not be drained." It certainly has turned out that way!!

Note the details of how it works: A few ignorant, timid people, mostly foreigners, are induced to part with their savings—assume for illustration the total is $20,000; they are allowed 2 per cent interest, only (market price for money 4½ to 7 or more); 5 per cent of all, $1,000, goes to the Treasury at Washington—no interest on this—Uncle Sam gets that much free; 95 per cent, or $19,000, is "divided up" among the local banks, which pay 2½ per cent interest.

"And they parted his garments [or the contents] among them." Hear again that voice from Golgotha: "They know not what they do."

It is incredible that honorable bankers need, or want, to make money that way. Incredible that the honorable Congress will allow the "do" to continue.

"Honesty is the best policy." "Godliness is profitable" in the economic sense, not less than in the religious sense. Give a "square deal" to the scores of millions of patriotic Americans, who are entitled to the service of an unshackled postal savings bank.

THREE CENTS WORTH OF PATRIOTISM?

Have you that much? "Sure thing?"

A 3-cent postage stamp will do a lot! Your Congressman wants—*and needs*—to hear from you. The Grafters—the "Interests"—"hearts right there" (song of "Tipperary") are with him every day, and *one* of them is liable to loom larger in his eyes than a hundred (or a thousand?) farmers, or other "common voters"—unless he hears from them once in a while. Just a postal card like this:

> "Dear Congressman Blank. I vote to *unshackle* the Postal Savings Bank. Make it free as the Post Office—and universal—open to the *intelligent* and thrifty American, as well as to the ignorant, timid "Dago." And loan the money to any honest man who will give good security and pay the most interest—not to bankers *only,* at a ridiculous 2¼ per cent."

That postal card will "touch the spot." He *wants* it—*needs* it. Send it quick—better, of course, write in your own way and language.

A "PEACE" ARMY OF EIGHTY MILLIONS

Even the *"shackled"* Postal Savings Bank has, already, over 600,000 depositors, with over $140,000,000 to their credit. (See latest official report.)

"Unshackle" the bank, and make every P. O., every letter carrier, its servants, as they *now* serve for money orders, registered letters and Parcel Post, and there would in a few months be an "army" of eighty million depositors.

Existing Savings Banks (see World Almanac) have now over 11⅓ million depositors, nearly $500 each, average—that ratio would give the "unshackled" Postal Bank about forty billion dollars.

RECONSTRUCTION
MUTUAL SERVICE

Statement and Argument in re Bill for National and Local Mutual Aid Associations

It is well nigh the universal verdict of students of economics, of all who desire and work for human betterment, that the word "co-operation" points the way of hope, of progress.

There has been long-time longing and groping of great numbers of people in this direction.

Here is attempted really "scientific," practical, efficient vizualization, not of any "cut-and-dried" plans or purposes of co-operation, but for *any* plans or purposes not "against public policy," which are approved by not less than 100 persons who seek mutual benefit, and are approved by National Boards of Ownership and Boards of Operation chosen by the people who seek the benefit of mutual service, and by the supreme executive power of the nation.

Probably the most important and most perfect economic business device of all time is the "corporation," which affords the utmost strength of union, and may also permit the *utmost freedom of individuality*—and a fundamental law of "evolution," of progress, of perfection, is the free development of the *individual.*

Farmers, producers, home-owners, consumers, have, in the past, less than others, availed themselves of the advantages of the corporation.

It is a general rule, but not universal, that corporations are dominated by, and are run for the advantage of a

few individuals, or "rings"—big salaries, "inside" buying and selling for self-benefit, etc. But it is entirely possible to organize a corporation on lines so that no amount of money, no amount of brain, no amount of cunning can dominate or wrest it from its purpose, or give the largest investor any advantage over the smallest, by carefully limiting its purpose and power in the corporation charter, limiting the power of vote, giving due notice of limitations in certificates of capital stock issued, etc., etc.

Small indeed is any business which can be done without "capital"—the savings, accumulations, of labor. This *necessity* of capital (inevitable, and not necessarily unjust) is the great stumbling block of all effort at economic "co-operation."

In experience it seems almost inevitable that capital will "dominate"—that the few "strong" will "exploit" the many "weak."

But it is folly to "kick" against "gravitation" which "bumps the nose" of any who fail to maintain equilibrium—folly to kick against an equally inevitable economic law that whoever has honestly labored and "saved" has the right to that "saving" ("capital") to make it "serve" him.

The first man to rightly claim "justice" is the man who has "saved" money, whether it is his hard-earned hoard of $10 or $1,000,000. He is "inalienably" entitled to get for the use of that money the *most that anybody will give for it*, with ample security, just as the farmer is entitled to get the same for his wheat, or the workman for his labor.

The man who wants to borrow money—to use another man's savings—has no "rights" in the case till he is able to offer satisfactory security, then the borrower who will give the most, whether he is banker, barber, butcher or farmer, has the right to get it—the amount he will pay for its use is, presumably, the legitimate measure of

his need, or of his *ability to use at high profit*, which, logically, generally means real economic service to the masses.

But while the owner of "savings" has the honorable "right" to his "own price" for those savings, those who want to borrow have an *equal right* by taking advantage of the "strength of union" to get the money elsewhere at a *less* "price" (interest is the price of money) if they can.

An Unshackled Postal Savings Bank (see pages 23-66 of this volume) is the solution offered for this problem.

Is there anything else in our grand United States Constitution that comes nearer the "self-evident" rightness (of our Declaration of Independence) than the proposition that "Congress shall have power to provide for the general welfare, to borrow money, to regulate commerce."

Can the imagination conceive any "general welfare" economic service greater than that provided by the Mutual Aid Associations here planned? We get the "utmost strength of union," the power to "borrow money" cheaply through the U. S. Treasury. We provide for the "general welfare" use of that money only when it can be used "*profitably*," not at all to the detriment of the taxpayer, or of the "capitalist" except as we offset his right to "exploit," by the producers' and consumers' equal right of "union" and thereby avoidance of "exploitation," by means of "co-operation."

The great popular *bete noir* is the high cost of living.

What "units" go to make that high cost? In ultimate analysis it is made out of two elements: the cost of "labor" (much technically so designated is *pretence* of labor) and "cost of capital." Insofar as it is the cost of labor there is no injustice—that is "from one labor pocket

into the other," unless there is *useless* labor. So far as "cost of capital" is *necessary* there is no injustice. But when *unlimited* capital is *easily* accessible to "the people" (as it is by *union* through "Uncle Sam") at from 2 per cent (now paid to postal bank depositors) to 4 per cent, and by legal fiction and manipulation for benefit of "exploiters" capital is made to cost from 6 to 20 per cent or more, there *is* injustice.

"Twenty per cent or more"!? Yes, plenty of it in excess of 20 per cent. "Interest rate" is not the *only* measure of "capital cost." "Dividends" go to capital also—much "pretence of labor," with big (even enormous) salaries go coupled with those dividends. And in the "cost of living" one dividend and "capital profit" is piled on top of another—manufacturers' dividend (in many virtual monopolies) and dividends multiplied to many "middlemen" largely needless and avoidable under real co-operation, which it is here sought to establish in easy natural way.

Did you know that the entire bank capital of the U. S. during the last year of our world war (a nation bleeding!) earned (or got) an *average profit* of over 20 *per cent*!

It is no part of the object of this paper to cultivate antagonism between capital and labor. Such relationship is most unprofitable—most unhappy, for *both capitalist and laborer.*

It is only desired to make clear, and recognize *facts* as they *are.* Then "let bygones by bygones," only "don't do it any more"!

Even if it were possible to "confiscate" unearned wealth it is not *expedient* to "get even" that way—it is *cheaper* to let "vested interests" hold what it has than to promote economic war. The principle of "excess profits taxes" "sur" income taxes, inheritance taxes, now universally accepted, will gradually right the wrongs of the past in some measure). Anyway, all *existing* tangible wealth is but a "bagatelle" compared to the wealth *labor* can and will *create* in the measure of the life of the next generation.

Let labor (of brain and hand) take what is easily within its power in the years to come by means of "co-operation," and it can "forgive the past" and laugh!

To fairly understand what has been thus far said one needs to study the details of the bill here presented and which goes before Congress, and imagine the details which will, logically, be built upon it.

Let us try to visualize some specific *practical* "castles in the air" which intelligent industry can build on the foundation of this enacted law.

First the one great National Mutual Aid Association is organized.

Small capital only is needed, except as and when the National Association gets to work, especially through Local Mutual Aid Associations, to which it will supply a portion of their working capital. And each and every undertaking will have to stand upon its merits. At least 100 persons must combine resources, each putting in at least $100 as a "guarantee," and will have to "convince" the responsible representatives of the Supreme Directors that the undertaking is a desirable one and that it can be made to "pay" a "first lien" dividend on the preferred stock, and also a 10 per cent annual dividend on the common stock which may be issued.

Assume that the National Association starts with $10,000,000 preferred stock, subscribed for by the U. S. Treasury, to be paid in as the money is needed.

Some thousands of educated, trained, practical students of economics, and business men inspired by the altruistic spirit, men and women from all over the nation, will gladly come forward with $100, $1,000, $10,000 or $100,000 each to be invested in the common stock, on which they will have possible *opportunity* of earning 10 per cent annual dividends—depending on their judgment,

industry, energy, skill. To a large extent these common stock subscribers will anticipate "investing" also their personal service in connection with the organization and conduct of Regional and Local Mutual Aid Associations.

Assume ten million dollars preferred stock, which is to get 4 per cent and ten million common stock to get 10 per cent; that makes twenty million capital and an *average* of 7 per cent only which the National Association *must* earn to be a financial success—7 per cent only is to be the "cost" to producers and consumers who are to be served. But five-sevenths of this "dividend" goes to holders of "common stock" which may be, and in time certainly *will be*, the producers and consumers themselves, the large dividend being thus "from one pocket into the other." This has the effect of stimulating everyone to "save," of supplying abundance of working capital, always, and of reducing the "actual cost" of "outside" capital to producers and consumers to 4 per cent.

The holders of common stock thereupon elect a National Association board of Operating Directors, and these Directors are to initiate and approve every enterprise to be undertaken—and nothing will be *permitted* except as it is approved also by representatives of the Supreme Directors, one or more of whom will be in direct oversight of the accounts and finances of every Regional or Local Mutual Aid Association.

The various holders of common stock who want to invest their services in "sub" Mutual Aid organizations will have to "show" (*vide* "Man from Missouri") the National Executive Board, and indirectly the Supreme Directors, the desirability of what they want to do, and their fitness and ability to earn the compensation to be given them.

Of course some "Cranks," "Faddists," "Grafters," "Impracticables" will be candidates, but our law is so carefully drawn, and our safeguards of "self interests" of other investors, and Executive Directors and Supreme

Directors will be such that such persons will hardly be able to "show."

Some "big business" groups of successful men of large means will find their "100 or more men" and undertake, say, a great Regional Nitrogen and Fertilizer Plant, or the drainage and development of a great swamp, or a great Irrigation Project, or assume the Development of all the possible Power, possibly also barge or other navigation, of some river; or live stock, or sugar, or fruit raising on a large scale.

"Uncle Sam is rich enough" to "finance" any enterprise that will "pay"—but the "group of 100 or more" will have to "show" and have to put up enough of *their own money* to reasonably "guarantee" success. Furthermore, while they have the "opportunity" for a time of getting 10 per cent on their investment, every *employee* will have a "first right" to common stock in proportion to the salary he gets—and every man who sells to or buys from that particular Association will have also "right' to invest in proportion to the amount of his annual dealings. So that after "10 per cent dividends" begin to be earned, every year, the original holders of common stock may be compelled to "scale down" their holdings—"Mutual Aid" is the fundamental vital principle.

A BILL

To promote the general welfare by means of National, Regional and Local Mutual Aid Associations.

Sec. 1. There is hereby created the U. S. National Mutual Aid Association, corporation, the capital stock of which, in shares of $100 each, shall be measured and limited only by the need of service undertaken to be rendered, and by the ability, in the estimation of the corporation's Supreme Directors, to use the capital at a profit in excess of the cost of said capital to the U S. Treasury.

Sec. 2. All the members of the Cabinet of the President of the United States shall, ex officio, constitute the Board of Directors of said corporation, hereinafter referred to as Supreme Directors.

(*a*) Said Supreme Directors shall by majority vote of said Directors have veto power concerning any matter relating to the business of the corporation, and by unanimous vote shall have initiative power and final authority to order, through its representatives, in any such matter.

(*b*) Said Supreme Directors shall employ and compensate in its discretion such service as it deems necessary, including the service of other then existing U. S. officers and employees, for the adequate oversight of all matters affecting the corporation and the performance of duties, compensation for such service to be at the expense of the corporation.

(*c*) It shall be the special duty of said Supreme Directors to see that charges for any service rendered by the corporation, or by Local Mutual Aid Associations aided by it, shall be maintained adequately high to cover all expense of operation, of upkeep, and to pay into the U. S. Treasury a semi-annual dividend of one-half of one per cent per annum in excess of the cost to the U. S. of money borrowed for investment in the capital stock of the corporation.

(*d*) Said Supreme Directors shall cause to be issued and sold to the U. S. Postal Savings Bank, or otherwise, on the best terms possible, U. S. bonds ample to supply all legitimate capital needs for the most efficient and profitable service to be rendered by the corporation.

(*e*) It shall be the further special duty of said Supreme Directors to see that all Regional and Local Mutual Aid Associations provided for by this act shall be so organized and conducted as will in no case be against public policy, shall be without favoritism or advantage to individuals over other members of the same Association, and that the purpose and action of each such Association shall be the mutual service of its members and shall not serve for undue exploitation of those not its members.

Sec. 3. The business of the Mutual Aid Associations herein provided for shall be in charge of Boards of Directors, hereinafter referred to as Operating Directors. under the supervision of the Supreme Directors.

(*a*) The powers, duties and compensations of such Operating Directors and the number of members of each board shall be as determined by the share-votes of the holders of the common stock of each Association, except that no individual, corporation or Association shall vote to exceed one per cent of the outstanding capital stock of any Association.

(*b*) Votes of stockholders and of directors shall always be by written signatures, and may be by mail, and all records shall be duly preserved for a reasonable time not less than one year.

(*c*) Power of voting of both stockholders and directors may be transferred by proxy, with power of retransfer.

(*d*) The weight of vote of Operating Directors shall always be in proportion to the number of share-votes by which each is elected, thus providing for due weight of minority representation on any board.

(*e*) Each Mutual Aid Association in whole or in part financed by the National Association shall be represented on its operating board by one or more representatives of the National Association, appointed by authority of the Supreme Directors, removable and appointment of successor at pleasure. Such representatives shall have veto power concerning any matter appertaining to said Association, and voting power on any shares of common stock held in said Association by the National Association.

Sec. 4. The capital stock of all said Mutual Aid Associations organized under this act shall be of two classes, preferred stock and common stock.

(*a*) The preferred stock shall be entirely owned by the United States Treasury and entitled to a cumulative dividend of one-half per cent per annum in excess of the cost of the capital invested in it by the United States Treasury.

(*b*) Common stock may be owned by individuals, corporations or by other Mutual Aid Associations herein authorized and entitled to cumulative annual dividends of earnings up to 10 per cent per annum. In case earnings are in excess of 10 per cent per annum, said earnings shall go temporarily to the building of a surplus, and as soon and rapidly as posible, price of commodities or services of the Association shall be reduced to patrons of the Association, so as to reduce the surplus and earnings in excess of the authorized dividends.

(*c*) All shares of common stock in any Association shall be sold with right of repurchase by the Association at the end of any fiscal year, to the end that

(*d*) The right to own shares of common stock in any Association shall be limited to those having dealings with the Association, such right being in the ratio of the amount of such dealings in any preceding year, as compared with the shares of common stock; said "dealings" may be either payments to or from said Association for commodities or service. In case persons, corporations or Associations fail to avail themselves of the right to own shares, then such shares may be sold (with reservation of right of purchase) to anyone as the Operating Board may order.

(*e*) Common stock in any Association must be issued and sold to an amount not less than the issue of preferred

stock, and may be sold indefinitely beyond that, as the Operating Board may authorize,

Sec. 5. Regional and Local Mutual Aid Associations must originally consist of not less than 100 persons, each of whom must subscribe for at least one share of common stock, and shall pledge for the first year patronage or service of a specified amount, with the presumption of continuance thereof. The purpose and plans of the organization shall be declared, and its scope and power limited by such declaration. Operating Directors being chosen, they shall make application to the National Mutual Aid Association for the amount of capital they desire the National Association to supply. The application being approved, preferred stock shall be duly issued to the National Association. In case more capital is desired than equals the amount of common stock issued, the common stock shall be issued to the National Association to make the total issue of common stock equal to the total issue of preferred stock, such common stock reserving the right of repurchase at the end of any fiscal year, for reissue to others. Capital stock shares in Local or Regional Associations may be less than $100 each, as may be determined by the Association itself.

(*a*) Any Mutual Aid Association may own and its representative vote, shares of stock in any other Association with which it or its members have dealings.

(*b*) Mutual Aid Associations may be formed for any mutual aid, benefit or service of its members or those not its members, for production, manufacture or distribution, for material, mental or other improvement, the purpose of organization being not contrary to public policy and approved by the National Association.

Sec. 6. Each Mutual Aid Association shall, within specified limits or territory to be approved by the Supreme Directors, have the right of "eminent domain," the

power to take any property deemed necessary or desirable for general community service, paying therefor its fair value as determined by mutual agreement or by duly qualified courts of record.

NOT A VISION OF AN AIR CASTLE IN UTOPIA

No, indeed! It is just little old Neshanic, N. J.! And it will serve just as well as some other name of place for a parable of progress, to "point a moral, adorn a tale."

Come with me for a walk, ten minutes back from the chicken house (about 800 hens, 500 white pullets coming on)—onto an "exceeding high mountain" (not very—about 500 feet), where you can see "the kingdoms of this world and the glories of them."

Here we are! This is just our own Neshanic mountain (formerly called Sourland). Look off to the east, and north, and west (woods to the south—"forest of Arden"—obstruct the view). Forty miles off there in the haze is little old New York City and Broadway! That mountain yonder is not, as you might think, "Mt. Pizga's lofty height"—it is Pickel Mountain. Those broad, beautiful fields, winding tree-lined roads are not, as you might think from their looks, "the Garden of Eden," not even "the land of Canaan." It is our own happy country home—or will be when we get our "Neshanic Mutual Aid Association" rightly running.

Don't imagine we are planning to "pick the pockets of Uncle Sam" because we insist on getting "Uncle" in "on the ground floor"—that is only a bit of financial "psychology." Neshanic has plenty of money. When Uncle Sam got "hard up" a few months ago and "passed his hat" this way, Neshanic put in its quota plus over 600 per cent. for the Liberty Loan.

Speaking of "money"—J. P. Morgan was right—there *isn't* any *real* money *but gold!*—the rest of the so-called "stuff" is just "credit," practical "psychology." Only if "J. P." had been cross-questioned carefully a mental reservation would have been found of, "in Wall Street." The wise men of the east, in China and India, would have said, silver—not gold—is the real money.

Here, on our little Neshanic farm it is neither gold nor silver—it is just eggs. We never need money at all—haven't seen any of the "stuff" for months. Can buy anything we want with just eggs, and it doesn't take many of them—though we haven't a thing to say about the price—take anything they offer us.

"J. P." would have admitted further, cross-questioned, that even gold money was mostly only "psychology"—superstition.

"Gold many hunted, sweat and bled for gold. And what was this allurement, dost thou ask? A dust, dug from the bowels of the earth, which being cast into the fire came forth a shining thing which fools admired and called a god."

What can be more laughable to wise students of economics than the superstition of gold? We have billions of it hid away in vaults where few ever see it—not earning us one cent of profit, when we could loan it "over there" (good security—keep "a string to it" to pull it back whenever we want, and loan it again—compound interest) for possibly 10 per cent per annum.

"Gold," forsooth! Humbug! All it is *really* good for is to make engagement and wedding rings (and such) for the "proletariat"—the "bourgeois" want diamond rings!

But let us get back to Neshanic and "business"!

See that pretty ribbon off to the west and northwest? That's the Raritan River. Down beyond that hill is Neshanic mill. Isn't it "dam foolishness" for that river power to be so running to waste, rarely ever half used—

on the average not one-fourth used—now idle, and we having to grind chicken-feed, not just in a coffee mill by hand, but with "monopoly" Rockefeller gasoline, and a little grinder which *can't* do the work right? Grasping foolish "private enterprise" has "bit off more than it can chew" and the mill *stands idle!*

One of the first things Neshanic Mutual Aid Association will do, when organized, is to buy that mill and run it twenty-four hours a day 6⅓ days a week—*all* power, nearly,—grind all our feed, instead of buying it, by carloads, from far away; run our sewing machines, churns, pump our water, light up our dark roads, and houses (instead of monopoly Rockefeller oil, again, lately doubled in price!) and many other things.

But, let's get on to details of our Neshanic Mutual Aid Association.

Neshanic doesn't need any of Uncle Sam's money (few communities do, in fact—need only applied psychology)—only, just like the "dam foolishness" at the mill—there is such tremendous financial power "going to waste" which Neshanic partly *owns* and is entitled to use. When public opinion compels "Uncle" to unshackle the Postal Savings Bank, in a few months there wiill be from 10 to 20 billions of dollars of as good money as the world ever saw, available, for "Uncle's" use at 3 per cent per annum. And as money in poultry plants and dairy farms, wisely used, can be made to earn from 10 to 30 per cent, why *shouldn't* Neshanic (giving gilt-edge security) get the use of some of that 3 per cent money—paying, say, 3½ to 4½ per cent for it—a big profit for "Uncle,"—saving that much for taxpayers?

So we organize Neshanic Mutual Aid Association—incorporated—capital stock, "preferred" shares, all to be owned by "Uncle Sam," to have first lien on all assets, with profits of 3½ to 4½ per cent; common stock to be owned by either Uncle Sam or by any who are patrons of the local Association, to earn 10 per cent ownership

of these common shares to be a *privilege,* not a requirement, the *"right"* to own to be *in* proportion to the patronage or service each gives to the local Association—so the big dividends will be simply from one pocket into the other pocket.

To save needless repetition of details for all the things Neshanic Mutual Aid Association will do for its members—for anybody who chooses to do business with it—refer again to chapters "A Square Deal in Milk" for "how"; as to some things, refer to "A River of Milk" as to how in municipalities where a degree of monopoly is expedient.

Only, bear in mind that with the vast "strength of union" with Uncle Sam and the *National* Mutual Aid Association, and an unshackled Postal Savings Bank, many financial details will be different from the "Square Deal" chapter.

Let us get down to "brass tacks" and important details of what is to be done, and how and why.

It is to be *mutual* aid—not a "rake off" or "graft" for some, or many, individuals. There is to be no trespass on individuality or private enterprise, all of which are left free to go their way as in the past. The Mutual Aid plans to do for the community only the things it can do better than individuality can or will do, human nature being as it is.

A few people—half a dozen, a score, or fifty—get together and generalize on plans, and write to U. S. National Mutual Aid Association headquarters, Washington—from whence comes presently, one or more trained experts. A public meeting is called and objects and advantages are discussed. Solid confidence is at once established. With Uncle Sam and the National Mutual Aid Association back of it there can be no possible chance for "a big swindle" or small "crookedness." There can be no question of ample capital to carry through what seems desirable to undertake—capital which will cost

only 3½ to 4½ per cent—except as the community prefers to supply its own capital at 10 per cent (paying from one pocket into the other pocket).

At least 100 persons must subscribe an average of $100 each for common stock (as low as $10 will get you in—others glad to make up the average)—some will be glad to make it thousands of dollars if they can get the stock, as it is to get 10 per cent dividends.

With 100 subscribing, $10,000 pledged, the National Mutual Aid Association stands ready to supply any amount that promises success up to $100,000, or twice or ten times that, *as it can be profitably used.*

The 100 persons pledge patronage—milk, eggs, grain, stock to be marketed, supplies for family, stock and farm to be purchased during the year—$500, $1,000, many thousand dollars a year for individuals—500 to 1,000 or more families are sure patrons if it "goes."

So the Neshanic Mutual Aid Association is launched!

Three or more of the solidest men of the community are chosen operating directors—everybody is on the "committee of the whole," to suggest, advise, etc.

Near a dozen little stores now try to serve—and live off—the community—each necessarily on the "ragged edge" of bankruptcy or starvation—*compelled,* to live, to charge "all the customer will stand"—and much of the trade goes *elsewhere.* The Neshanic Mutual Aid Association buys out all these little stores—cheap—at a fair price—they are glad to sell out rather than freeze out. All good men—good use will be made of them.

The Neshanic Mutual Aid Association concentrates *all* in one big general store—with ample stock of what the community needs. The "best man" is put in charge of each "department," and he will "get busy" about all the time, not be "loafing" half or more of the time. He will get sure good pay—no need to worry for profits—or losses—a bonus for "increased business"—another "bonus" for "expense reduction." No occasion longer to

"charge all the customer will stand"—his reward will come for giving the "best service for the least cost possible." Once a day at least, in every direction, a delivery truck will carry supplies to customers—bring back supplies to be marketed. Community telephones at a fraction of the cost of the present service will keep everybody in touch with "Community Center" so that goods will be "ready when called for," or be "sent" when the truck goes—at bare cost of truckage.

Of course there is now no adequate building to house "Community Needs." Temporarily we will have to "make the best" of what we have; but soon a great big community building will be erected with ample room for "everything handy"—on both sides of the railroad track, or special switch, basement and sub-basement for storage, big, powerful elevators for freight service, below or above, quick, clean passenger elevators for store floors, community offices, community club rooms and the big community hall, where music and moving pictures are nearly always "on tap" and high-class "city" entertainments at due intervals.

As "capital" for all this, ample, will cost only 3½ to 4 per cent (most of it our *own* money—now idle, getting no interest—*then* in an unshackled Postal Savings Bank getting compound interest) we "can afford it," and more.

"Elevators like a city!" Why not? Water power is abundant and far cheaper than muscle power!

Of course, "right off" the Neshanic Mutual Aid Association buys that idle mill and gets it busy—day and night. Power of wealth like that going to waste! Ridiculous!! A dynamo is soon hitched onto the turbine—plenty of power for the elevators and electric lights for homes and highways, and small home power service when wanted. That mill dam will be built feet higher and the power more than doubled—a larger turbine installed.

That mill will be made to earn the community probably $25,000 at year, at least!

Neshanic is quite a center for egg production—it should, and will, increase some hundreds per cent. We don't "kick"—hard—on the present price for eggs—only kick that the "other fellow" gets a few cents that ought to come to us—the *retail* buyer pays plenty, all right. The Neshanic Mutual Aid Association "egg expert" will look after marketing *all the eggs* for *all of us,* and will get what is due us. *Now,* for a fact, *we* have "nothing to say" about the price of eggs—just take what is offered. *Then* if the market "drops," as it does occasionally by "manipulation," the N. M. A. A. will be in shape to "hold the eggs"—plenty of capital to "put in cold storage" if thought best. But *"then"* most of our eggs will be *marketed direct to retail buyers,* after a manner similar to "direct milk market"—details in "A Square Deal in Milk," or under "A River of Milk"—no need to repeat—no room or time for dwelling on all "magnificent (and beneficent) possibilities" here and now.

Private enterprise, "individuality" will still have absolute liberty, abundant room for initiative, and we will still have our own poultry farms, milk farms—all kinds of farms, each man running his own enterprise in his own way, selling where and when he pleases, buying what, where and when he pleases—but the N. M. A. A. will give him the opportunity of making voluntary (exclusive or other) contracts *with it.*

The N. M. A. A. will undertake to do only what its members *think* they can do *together,* as a "unit," better than individuals can do.

If any farmer has more land, energy, ambition than he has capital, wants a bigger flock of hens, larger and better "coops," wants more or better cows for milk production, wants to build a silo, drain or extra-fertilize his land, get more or better machinery, put up farm building or better home, if he has the confidence of the community

in his integrity and "gumption," he will have no trouble in getting *all* these things, *as* he wants them, *when* he wants them, through the N. M. A. A. at 10 per cent per annum (his own "other pocket" having a pro rata right of dividend on that 10 per cent) and he can pay the debt in such instalments as and when he pleases, or if he has Liberty Bonds or shares of common stock in any of the Mutual Aid Associations, or any other "gilt edge securities" he can put up as "collateral" for loans—or if he has not those but has the confidence of neighbors such that he can "borrow" such collaterals, he can get all the money he can use profitably from the "unshackled" Postal Savings Bank, from 5 per cent down to possibly 3 per cent (by and by, after "free trade in finance" has a little time to develop consequences) and pay that debt as and when he pleases.

In the meantime—*any* time—if he wants the use of every kind of best, biggest, up-to-date farm machinery he will not need to buy a tractor or other expensive tools beyond his financial reach, but can have the use at his pro rata share of actual cost of wear and tear from the N. M. A. A., which will have an abundance of everything in that line, with trained expert employees whose exclusive business it will be to run that machinery, keep it busy and always in best possible order—they will be paid to do just all that, with compensation in proportion to efficiency, bonus for keeping down cost of wear and tear, etc.

Indeed, instead of every fellow for himself, as now, running in debt for his own individual automobile (or doing without like some of us) letting it stand idle three-fourths of the time, wasting time "monkeying with it" to keep in order (clean or dirty), all any of us will need to do is to telephone to the N. M. A. A. garage and in ten minutes some small boy (or expert chauffeur) will have at our door such runabout, touring car or limousine as our occasion calls for, and we will pay our pro rata

cost of wear and tear while we use it. If we have a license from the N. M. A. A. garage as competent to run, we can drive it ourselves, otherwise the boy will drive for us. One-half the money now invested in the community in autos will give better autos and better service than we now have. Of course "every fellow for himself" men can continue to go their own way if they prefer.

Of course, those milk trucks (see "Square Deal in Milk," pages 86-87) being servants of the "one unit" N. M. A. A. will cart to and from farms and homes everything else they can handle with efficiency. And there will be "common carrier" jitneys and trucks going at stated hours or days to and from near or distant towns and big cities and markets, passengers and freight paying pro rata share of *actual* cost of transportation to the N. M. A. A.—saving 25 to 75 per cent of what it costs the "every fellow for himself" man.

NESHANIC LAKE, BLUFF PARK AND NESHANIC MOUNTAIN PARK

Even the oldest inhabitant never saw or heard of these—right under their noses all the time if they had had the "vision" and the "get-togetherness" to see and do and enjoy!

What "dog in the manger" and "every fellow for himself" individuality will never by any possibility accomplish while the world stands, the "one unit" N. M. A. A. with its right of "eminent domain" and its financial "strength of union" will do and make a holiday of it!

Land that now earns less than 5 per cent of nominal valuation for cow pasture, or wood-lot land such as the writer has actually bought in recent years and now owns, at $4 an acre and hardly pays its tax even at that price, will be made to actually earn good dividends on valuations of $100 to $1,000 an acre—thousands of acres of such—this increase of value to be not for benefit of "dog in manager" present owners but for benefit of *all* N. M. A. A. members, that is, for benefit of everybody.

With the "practical psychology" of Uncle Sam's backing (the community really supplies all the money itself) and the right of "eminent domain," the N. M. A. A. takes over several thousand acres of virtually waste land, including incidentally *some* good farm land necessary to it, paying present owners for it at a satisfactory price—cash if they want (they will generally prefer shares of stock)—and development at once begins, which will make a vast amount of profitable work for "labor," and will rapidly, in a few years, double, or quadruple the population of the region—increasing greatly the average value of all real estate.

And one beauty of the scheme is that the character of the increased population can be "selected" according to the wishes of the people now here. We do not need to employ "dagos" or "niggers", or sell or lease to "malefactors of great wealth" except as we choose to do—we can offer inducements that will bring the desirable population.

Developments will be made such as will most rapidly pay their own cost and more. One of the first will be a combination bridge, dam and roadway across the foot of the valley of Neshanic Brook, making accessible, as never heretofore, the several hundred acres which will be known as "Bluff Park," beautiful bluffs, woods and tributary ravines south of Raritan and east of Neshanic River. Here are glorious sites for cottage homes for increasing population, summer homes for city folks and commuters, who will want to come here in numbers when the railroads are electrified, greatly reducing time to the big cities. Sites will be sold, or leased, with due restrictions, buildings erected by either the N. M. A. A. or by the purchaser or lessees, as may be deemed advis-

able. Bluff Park improvements will gradually, rapidly, multiply many times the value of these hundreds of acres —for the profit of us all.

The dam thus built across Neshanic mountain-fed Brook will form Neshanic Lake and give water-power fall of perhaps 20 feet. A turbine and dynamo will be installed at the dam with a feed-wire to Neshanic Mill near by, making this increased power, whatever it is, "one unit" with that of the mills; and the conserved waters of the lake will to its full extent serve as a "feeder" to increase Raritan River water power in low-water seasons.

Neshanic Lake will, of course, be stocked with fish of most desirable kinds (Raritan River, also, to an extent), and fishing privileges duly licensed, without favoritism, will add something to the income, and, much more important, supply great quantities of fresh fish to N. M. A. A. members.

Of course, also, the bluffs along the shores of Neshanic Lake (both sides accessible via roadway-dam) will make fine building sites for increasing population—real estate values increased hundreds per cent for benefit of *all* N. M. A. A. members.

The several thousand acres of Neshanic Mountain top —near "waste land," with its almost inaccessible, picturesque gorges and ravines, its wonderful "Devil's Half Acre" (many acres) and "Roaring Rocks"—what millions of dollars these would be worth if nearer the great cities! But electricity (and airplanes) is bringing it nearer—and it is *near to us now!* And unused, unappreciated!

One good automobile roadway (for other vehicles also of course), with gradual, easy ascent, will be built to and along and around the margins of the top, "feeding" roadways gradually thereafter.

The vast forest resources now almost unused, will be developed under "scientific forestry" management, and

while greatly increasing, for years to come, the commercial timber-value, will from the word go produce big dividends on the land-cost of the mountain to the N. M. A. A. And here will be built in time hundreds of summer homes (and year-round homes) with leasing or selling valuations up to hundreds of dollars an acre.

And abundant accessible, picturesque views—the grandest within 50 miles of New York—and healthy, happy recreation for the population of all Neshanic region—big, permanent dividends for all N. M. A. A. members.

All of this—beneficent—glorious—impossible under present "every fellow for himself" regime, *easily* brought about under "self determination," democratic, republican alliance of Local Mutual Aid Associations with National Mutual Aid Association, backed by "Uncle Sam"—the affectionate, familiar name for all of us Liberty Bondholders!

And this "Neshanic Parable of Progress" is simply an *illustration* of what may be easily made reality for the entire United States—coupling the "strength of union" with the "vitality of individuality," and "altruism" with "self-interest."

SOMERSET MUTUAL AID ASSOCIATION

As there are many great things the community can do for itself better than individuals can possibly do for it, so there are some things which larger County or "Regional" Associations can do better than smaller Local Associations can do.

Notably this would be the case with meat supply. Instead of Neshanic having its local slaughter house, a county "abattoir" will with far greater economy take care of the needs of all Local Associations in the region; or even adjoining counties, or parts of counties, could com-

bine—to some extent by-products of slaughtering could be advantageously shipped to Newark or other big cities of the State, where hides could be tanned, "oleo," meat scraps for poultry, fertilizers, etc., could be produced and marketed with the utmost economy for producer and consumer.

Two or three days a week, or daily, meat trucks would radiate from Somerville in all directions to serve customers throughout the county. To some extent, of course, meat could be shipped in quantity to Local Associations for distribution to local customers. These details would naturally work out themselves according to wishes of the people served.

There would be no jealousy or competition between associations, no combination to raise prices and increase profits, because the fundamental idea is not to make money out of the other fellow, but to save money for all of us.

In any event the Neshanic and other Mutual Aid Associations of the county would co-operate with that at Somerville, whether called by the name of the county or by the name of the city, in making purchases of many supplies, so that eventually all merchandise should be bought in carload lots to Somerville and "divided up."

One enormous General Store and Central Market in Somerville would supply the needs of all citizens, or all who chose to come there to be served. Individuals who chose to do so could invest to their pro rata right in the common stock of different associations. Somerville would enjoy every mercantile advantage and facility of the great metropolitan cities. Of course, for local convenience there might be local "branch stores" for some local needs, but they would be "one business unit," not competing stores. But constant "truck delivery" in all directions would probably best and most economically serve all needs. "Knock out the middle man," would it?

Don't worry about him! It would certainly greatly

reduce the number of establishments, cut rent cost for store service probably 75 per cent (for benefit of producer and consumer). But the great General Store and Market would mean a big force of "best men" for heads of departments—to buy and serve—and a small army of constantly busy skilled clerks, porters, packers, delivery men, etc.

Don't worry about what the middle man will do! He has shown his ability to take care of himself. So far as his superior ability and readiness to "serve" does not cause his being "drafted" into the great general store service he will turn "producer" and will "hustle out" some of the shiftless farmers and mechanics by his industry, vigilance, skill and "general get there" ability.

THE RARITAN RIVER MUTUAL AID ASSOCIATION

The Raritan River is one of the arteries through which flows much of the rich life blood of New Jersey.

Tens of thousands of its horse-power ready to do the work of the citizens of New Jersey is going to waste, probably not one-tenth of its possible power now used.

Untold fertility which might go to food production is carried away to sea in its floods.

Tens of thousands of acres of rich bottom lands lie altogether unused, or used to but a small fraction of their possible production.

Resource for navigation, ability to carry heavy freights by motor barges at a cost but a fraction of the cost by rail, are virtually unused, not possible of use till systematic development from river mouth to river source is made.

Vast possibilities of food production—of pleasure for anglers—in fish propagation, possible only under systematic development, have been scarcely imagined.

Here is noble life-work for a Goethals, to harness and employ all this vast power and resource for service of millions—present and coming generations.

It will be done by the backing of thousands of foresighted, thrifty, patriotic Jerseymen through the Raritan River Mutual Aid Association—the backing of Uncle Sam through the Allied National Association—great psychologically, small financially, because "development" will be made to "pay" almost from the word "go."

And what is here outlined for the Raritan River may be said of hundreds of other rivers all over the nation.

Work will begin at the mouth—but be almost simultaneously carried on in sections upstream. The right of "eminent domain" will take land along the channel necessary to engineering plans, or to be greatly benefited by the plans, so that "increase of increment" shall come to those who supply the brains, labor and necessary capital.

The river channel will be dredged, swamps drained, dykes built to protect rich lands for cultivation, dams built (scores, possibly even hundreds of them from mouth to source, including small tributary streams and feeders—such as Neshanic Lake and Brook) of such height as will conserve for utmost power and make river channels ample for navigation, with locks for passing boats up and down, as far up the river as engineers determine wise. At every dam installation will be made of turbines and dynamos to utilize the utmost powers, which will be leased for factory or other power. Real estate developed by the engineering will be leased or sold, as may be deemed wise.

The entire river from mouth to source, including all tributary streams deemed worth while, will be scientifically engineered as "one unit," this being necessary for fullest development. This will make necessary that this *larger* Raritan River corporation shall in some measure take over power and water privileges of the Neshanic and

other corporations upstream, leasing to the smaller corporations the local powers and privileges.

The powers developed at the scores of upstream dams will be joined as *one* power by electric feed wires, so that none may go unused, all put to the fullest, most profitable use. Railroads will be electrified, towns and county roads lighted, sewing machines and churns run.

The tens of thousands of river bottom acres engineers will determine which can be most profitably used, for storing flood waters for power use, which preserved by dykes (with feeding gates to flood and enrich like the banks of the Nile) for cultivation.

Perhaps hundreds of small tributary streams and ravines will be treated like Neshanic Brook and Lake—for power storage, fish culture, landscape beautifying.

Water turbines and dynamos, small or large, to fit the tributary power, with electric feed wires joined to the larger powers, will make it possible to use vast power of falling water from highest hills and mountains, down to the sea—little more than the extra "flood" water of the spring season would go to waste—most of those would be conserved in the great number of storage basins, lakes, etc., made by many dams. Much of the fertility the floods wash down would be conserved in the dyked river bottoms, settle in the channels above the dams and gradually saved by continual dredging.

All these great improvements would cost many millions of dollars—and be worth far *more* than the cost, earning dividends from the word "go."

The needed capital would be supplied by Uncle Sam through the National Mutual Aid Association preferred stock) in minor part only, at 3 to 4½ per cent, depending on the cost to Uncle Sam, through the Postal Savings Bank, "Victory Bonds," "Peace and Prosperity Bonds," etc. The major portion of requisite capital would be supplied by common stock paying dividends of 10 per

cent, "from one pocket into the other" of employees and patrons of the Raritan Association.

All these improvements would make vast permanent, profitable employment for labor—to build, to operate, to man the myriads of factories the river power would run.

Every employee would be tempted to "save" and to own all the "common stock" his employment would give him the "right to own," because it would earn him 10 per cent, a virtual "bonus" added to his wages.

Every man who paid freight on the river barges, who sold supplies to the corporation, who leased power from it, who even paid license for the pleasure of fishing in the conserved waters, would be under like temptation with the laborer in preceding paragraph to invest in common stock to the extent of his "right" to do so.

Thus in time there would be nothing but common stock, the preferred stock being gradually retired, and none of the common stock being left for the possible pioneer "capitalist," who has no "right" of common stock except as there is some "left over" by employees and patrons.

Obviously all these great developments, these blooming elysian fields of peace and prosperity, would never come about under the present "private enterprise," "every fellow for himself," "dog in the manger" regime.

This vast river improvement, if made under past political programs of "commissions" appointed by "practical politics," "graft" at every turn, a few great "contractors" would be vastly enriched, the power developments and other benefits would fall into the permanent control of a few great "capitalists" whose "interests" would always be in antagonism with labor, and the whole population of Jersey tributary to Raritan River would to some extent be "exploited" for benefit of capitalists.

Under the program here proposed there would be a vast "Republic" of closely associated Local, Regional, National, Mutual Aid Associations, *everybody* being, according to his measure of industry and thrift, "capitalist" holders of common stock.

Notice how this "Justice and Practical Sense" program tends to stimulate national and local patriotism—*everybody* benefited by this "national union strength" sees his own felicity is a *part* of the *nation's* "peace and prosperity."

Here is an *automatic* "League for World Peace"!

SANE SUFFRAGE

And Mobilizing, Educating and Utilizing Public Opinion

Sane suffrage will not only include women (of course) among voters, but, also, children, who have equal equitable right with older folks, *within limitations*—and *all* suffrage has limitations of both right and expediency.

"Equal suffrage" will be the rule—with limitations.

But "sane" suffrage will also give, commonly (within limitations) *unequal* "weight of vote"—will also, to an extent (not narrowly limited) allow "multiple voting."

Even "money will vote" (or values, measured in money), in a limited (sometimes very large) way, under sane, equitable suffrage. Both justice and expediency, for society as a whole, will give "weight of vote" in some measure according to the amount of taxes the voter pays, in connection with some measures and matters affecting finance, economics, roads, municipal, even national policies and doings.

In the natural evolution of social life as we now have it, we all, voluntarily, as a matter of course, concede "weight of vote"—vital influence deciding matters for us in great affairs of life—to the vote of a Lincoln, Frank-

lin, Washington ("though dead they yet speak," practically "vote," on great questions before us) immeasurably beyond the weight of vote of some ignorant "proletariat" members of society.

In business matters "weight of vote" is universally (almost) measured, to some extent according to the amount of the investment, or the extent of risk, the voter has, or takes.

So, with limitations, will it be when we get "sane suffrage" in social life, local and national.

But, let us get down to details—from "glittering generalites" (only don't forget them)—the only way to a clear understanding and "practical sense" application of fundamental principles. "Sane suffrage—mobilizing, educating, utilizing public opinion," are essentially connected, and for clear seeing and sure working we must start with:

MOBILIZING. As when we went into the world war, in dead earnest, to win, we began, and will here begin with:

REGISTRATION. All votes will, always, be in writing, so we will take the signatures, at every house, on uniform blank cards, of every individual who can write, the cards giving such data as considered essential or worth while: age, sex, occupation, annual tax paid, degree of education, married, number in family, dependents (under voting qualifications), how long residing in precinct, state, etc.

Votes in writing automatically cuts out inexcusable disqualifying ignorance—no "grandfather" or other absurb qualifications admissible. Intelligence and aspiration justly tending to qualify voters, anyone can learn to both read and write, and to understand essentials. Laws should *compel* such qualification of all mentally capable, and others have no natural right to vote.

WEIGHT OF VOTE. Let children, of say fourteen years,

start with, one-fourth vote, with high school education completed one-half vote; fully self-supporting, with such education, whatever the age, one full vote.

HONOR MULTIPLE VOTES (these are tentative suggestions only). Whoever has been three times (or more?) chosen to any county office, to have two votes; to any state office, five votes; to any national office, ten votes. Certain "honor multiple votes" might perhaps be expediently conferred by one's fellow citizens' large majority vote (three-fourths, or more?) because deemed especially qualified by age, wisdom, special education or service. All these extra votes are conferred by the volunteer action of voters themselves starting equally, and all may aspire to such honor multiple votes. This is in line with the Japanese "elder statesmen" wise and efficient custom.

PROPERTY VOTES. Both justice and wisdom will, to a *limited extent* give some special consideration and weight to one's vote in proportion to the amount of annual tax the voter pays. Details as to this, and reasons therefor, will appear further on.

FIRST REGISTRATION of voters should be, in the beginning, by duly qualified county officers making house to house canvass, ascertaining the facts and witnessing the signatures to the registration card statements; later, by visit of the new voter to the county court, registering signature with witness before the proper official. Registration cards should be revised annually, by mail, by each voter, will be on file at the county seat (or city hall in municipalities), open to the proper inspection of the public. Fraud in statement by the voter, or forgery in registering or in voting should be subject to severe penalties.

METHOD OF VOTING. Present methods are foolish (to put it mildly), compelling votes to be given in the un-

healthy excitement of a crowd, at a given place, on a given day, "rain or shine," convenient or not, to the voter.

Rationally, ballots will be prepared in accordance with the circumstances and mailed (duplicates) to the address of the voter, with return envelope to the proper court or qualified officers. Along with the ballot, or in advance of it, the voter will receive a paper or pamphlet (issued in accordance with strict laws, at the expense of the whole body of taxpayers), presenting fully and fairly (both sides, all sides) the qualifications of all candidates and the merits and demerits of all questions at issue. The voter at his leisure, after consultation with family and others as he may wish, will then fill out and sign his ballot and mail it. He should be allowed several days in which he may do this, the requirement being *not later than* a specified date. The election officers will be in session to receive and count ballots several days before the final date. If by some mistake, or through ignorance, a voter should send a ballot legally defective, the qualified judges should return it to him with explanation and he should be allowed to cast a new and correct ballot; if that also should prove defective the voter should be for that occasion "disfranchised."

Under this "rational method" of voting there would be few "slackers," and if any such, they should be, if without excuse of disqualifying illness, necessary absence or other good reason, subject to a fine.

EDUCATING PUBLIC OPINION. A "free untrammeled press" will continue as now. But to guard against objectionable "paid propaganda" by political, financial, class, or other "interests" strict laws should punish the publication of false statements or misrepresentations, require the signing with real name of the writer all printed matter; where an individual or interest is attacked, opportunity should be given for reasonable reply *in the same issue* and place.

"Public opinion" is the *one immeasurable power which ultimately decides all questions,* compelling needed legislation. "Laws of public opinion" are practically self-executing; no individual or interest can long stand out against them.

But in addition to a "free press" where important truth or thought is buried in an avalanche of so-called news, trivialities and advertisements,—

Each township, county, municipality, state, nation, should have its appropriate monthly, weekly or daily "Bulletin" (to be mailed to every interested voter, at the cost of general tax), each with its elected editor or editors, who will concisely present the needful facts and arguments for or against whatever is done or proposed—and *nothing else.*

Bulletins within counties or limited municipalities should be open for proper use, in limited space, to every voter who shall pay reasonable part of actual expense of publication of space occupied. State and national Bulletins should be open in like manner, subject to reasonable editorship (ample freedom to be given) to those representing specified weight of voters, and open, of course, in limited extent, to specified elected representatives.

Commercial advertising (very limited) could be admitted to Bulletins, going far toward paying their cost—no display—reading matter form, separated space and distinguishing typography from *real* reading matter.

Here is limitless opportunity of "educating"—honestly, without prejudice—"public opinion" and mobilizing it for effective use. Every Bulletin is an "open forum," both sides, every side, freely given its hearing.

We all know how impossible it now is with present newspapers and periodicals to keep in intelligent touch with the things we ought to know, free from "propaganda coloring," swamped in sensational news, triviali-

ties, avalanches of "poster display" advertising. The growing custom of poster display advertising in newspapers and periodicals is almost a "calamity," is quite a nuisance, and an enormous economic waste, and ought to be restrained by law, or compelled to restrict (in all such publications) advertising to reading matter form (distinguished properly from non-paid reading) and to limited reasonable size of type; results would be just as effective for advertisers, with enormously reduced cost and so tend to reduce the cost of the advertised commodities to producers and consumers who necessarily now pay those advertising bills in commodity cost.

In the Bulletin we would have in "reference form," convenient, that which we need to know, or want to know. Of course we would still have existing papers and periodicals with their abundant merit, for such "enlarged propaganda," etc., as we wish or choose to swallow.

Voting "by written signature" need not prevent "secret voting," sometimes considered so essential to freedom of voting. Votes will be open to inspection only by a few sworn, properly qualified officers of the court. Even now under rules of "registration" and "numbering of ballots" individual votes are identifiable in case of legal necessity. Furthermore, "secret voting" is not so important as some other things. A man who has not the courage to make his opinion known in the open is hardly worthy of citizenship. And even attempt to intimidate or corruptly influence voters is likely to "react" and influence the "other way." Attempt to bribe or intimidate is justly classifiable with "treason" and should be similarly punishable.

HOW "SANE SUFFRAGE" WOULD WORK

With Fundamental Details as Heretofore Described, Consider How Plans Would Work

Within a county, or small municipality, a monthly or weekly Bulletin would limit facts and discussions to the local affairs, size of issues, even frequency, perhaps varying according to occasion. Nothing would be published without both sides—all sides—having due hearing in the *same issue.*

State, municipal and national Bulletins would be larger or more frequent, according to public need, contents strictly limited to state, municipal or national matters, both sides—all sides—being adequately represented in the editorship, and opportuuity for open correspondence. "Paid propaganda" or partisanship distortion and coloring of facts and arguments would no longer, in these public Bulletins, monopolize space and overwhelm and smother the reader's attention, vision and reason.

"Public opinion"—local or general—could then be easily, quickly, adequately "educated" and "tested" on any matter of pressing importance.

In case of a threatened "strike" of police, printers, steel workers, coal miners, railroad brotherhoods or others, Bulletins adequately presenting "both sides" in facts and arguments would go to parties interested, one or more times, as necessary or fitting; then legal "test" local, county, state, class, or general votes taken appropriate to the occasion. We could *know* whether "one-fifth" or a large majority favored a given demand or action. "Public opinion" especially interested could be definitely, certainly tested. and its "weight" effectively brought to bear, quickly. and at relatively small cost, by

actual legal votes. Propaganda "claims" of one side or the other would less distract and demoralize.

Imagine the educative value, the popular influence, the overwhelming weight in bringing about results, by "test votes," on the "League of Nations" or any other important question before the country. "Bluff" on either side would not count for long. It could be quickly "called." A county, congressional district, or state, could be taken as a "test" on a given question, first presenting both sides—all sides—in one or more educating "Bulletins," then taking a vote. Would not some captious politicians, "ears to the ground," sometimes hear something to wake them to duty?

PRIMARY VOTING, selecting candidates, making up issues. In the weeks and months preceding each annual election, the various local, state and national Bulletins will have discussed issues, and names of candidates have been suggested or positively announced. A ballot sheet (duplicate) is sent to every voter, with return envelope to the proper county office; the ballot is marked and returned by the voter.

Here a fundamental, radical, change from usual procedure is proposed. To make clear, New Jersey is taken for illustration. Every citizen who is interested *at all* in state matters is interested in choosing *all* state officers, including *all* the 81 members of the state legislature, Senate and House—*not* in two or three men from his county only, so each voter should have the privilege of 21 votes for Senators, 60 votes for House representatives. And if the voter *prefers* to concentrate his 60 votes on 30 men instead of on 60, or on 15 of them, or even on *one* man, it is reasonable and expedient that he should have the *right to* so concentrate them. And it is equally reasonable and expedient that those who are *elected by* such concentrated votes should have "weight of vote" in the Assembly or Senate *in proportion* to the number of votes by which he is elected. Some man of really superior intellect, character, reputation, notable patriotism, would receive possibly several times as many votes as would other men of "small caliber" and poor reputation, and it is "mathematically exact justice" to the voters that such chosen representatives should have "weight of vote" in making laws, in proportion to the votes by which they are chosen.

The *first election* thus made would be the "primary" and would "nominate" possibly some hundreds of candidates for the legislature. Now let follow in due course the *final election,* a ballot being provided containing as "nominees," say two or three times as many names as there are offices, such names being those who have received the greatest number of votes at the "primary." At this final election voters will naturally concentrate their votes on candidates which the "primary" has indicated may possibly be elected. And here again each voter is to have his 21 votes for Senators, 60 votes for Assemblyman and will "concentrate" those votes as he pleases. At this election, also, a greater number of men will be "chosen" than there are offices to fill. The 21 Senators and 60 Assemblymen who receive the *highest* number of votes will of course be those *elected.* But this will leave those who have voted for the non-successful candidates *without representation.* To give them fair, just representation let these *minority candidates* each transfer the "weight of vote" he has received to *his choice* among the *successful candidates,* who will then be given "weight of vote" in the legislature in proportion to the enlarged number of voters he represents.

This plan will result in "mathematically exact," *just, complete,* "minority representation," and every voter in the state is given his voice in the making of laws, fixing policies, confirming nominations.

Under *existing* laws and methods, on the average more than *two-fifths* of the voters are practically *always disfranchised* and have *no voice at all* in the legislature. In our "republican county" the minority democrats are "disfranchised;" in other democratic counties the republicans are "disfranchised." And laws and policies are decided often by a very small *majority* OF THE MAJORITY which is NOT disfranchised—*not* decided by a majority of the whole people.

And under present methods our votes are restricted to candidates living in our own limited counties—and we are allowed to choose only from candidates selected at very limited, sometimes manipulated "primaries" and there is possible only "choice of very positive evils"—legislative timber is very poor and of very small dimensions. If we have the whole state to choose from it would be different.

Of course, candidates for offices in counties and municipaltiies where there is a kind of legislative power and dictation of policy possible, should be chosen in a similar manner.

The choosing of *national* officers—Representatives—Senators—logically, should be in the same manner chosen from the *entire nation,* not necessarily limited to choice from one's own state. But that would necessitate fundamental amendment of the national constitution. And if we are allowed to choose from our *entire state* instead of from our limited "district" we can do very well —and by giving "weight of vote" to Congressmen in proportion to the number of voters they represent we can really have the power to put "big timber," *real* "statesmen" in control of national affairs.

Another healthful influence that would not be trivial would be to make the compensation of legislators—of state and nation—in proportion to the number of voters they represent. It would tend to give adequate reward

to "big caliber" men, and tend to discourage "little" men from pushing themselves to the front, representing possibly "interests" more than voters—and our "registered votes" showing sex, occupation, tax paying and other details—*show* the *kind of voters* each legislator actually represents.

By this plan, also, of choosing legislators—of state and nation—we could most advantageously *reduce the number* of elected representatives, and greatly increase their efficiency, greatly expedite decisions of policies, passing of laws. To a *limited* extent there is "safety" in a "multitude of counsellors"—but too large a body too much resembles a "mob" and becomes a "nuisance." This giving *weight of vote* to the really strong, prominent few men, would result in vastly improved "leadership" and expediting of decision.

"MONEY WEIGHT OF VOTE," as measured by amount of taxes paid. It is not at all suggested that "money" shall be given undue power and influence—only to the extent that it is EXPEDIENT *for all of us.* And in any event it is not money but the men behind the money, who are given consideration and weight.

By the registration cards of all voters note is taken of sex, occupation, annual taxes paid, and other items. In tabulating election returns note may be taken of any of these items which are considered worth while to be known. It may be ascertained that "A" is elected by 10,220 votes of which 6,310 are men, 3,910 women, taxes paid $511,000, 7,100 voters are farmers, 2,000 mechanics, 1,100 laborers. "B" is chosen by 9,500 voters, representing taxes paid of $750,000, etc., etc.

Simple knowledge of the *facts* in each case will at least have healthy weight and influence in affecting, changing, public opinion—the *real* deciding influence in human affairs.

Instead of having, as now, two "houses" in the legislature, Assemblymen and Senators, both of which (the Senate preponderatingly) represent "locality," or "section" (which has no basis of sense or justice, but only evil "sectionalism" and jealousy) as well as a certain number of voters, let us have *one* house only, representing, *all* of them, voters from the whole state, men, women, taxpayers, farmers, mechanics, laborers, merchants, clergymen, teachers, lawyers, doctors.

To enact any law a majority representing *all* voters will be, of course first essential; let there be also a *second vote* required (espcially on all laws affecting expenditure) where votes shall be counted as representing "taxes paid." This second vote will obviously represent the weight of opinion of the more "solid" conservative, better educated, experienced, wiser elements of the state's population. If this vote is affirmative, the law is enacted; if negative, let it be at least required that a subsequent vote of two-thirds favorable, representing *all voters,* shall be necessary to enactment—just as now we have the President's or Governor's veto as a "check" on hasty, ill-considered legislation—as in England the Lords may check the Commons, but may not prevent final enactment of law by a large majority.

Is not this plan (improvable in detail?) rather than "two houses" as now, "practical sense"? It would reduce taxation, some, by reducing the number of legislators, and tend to efficiency and speed in legislation. And with legislators *all* being chosen from the *whole state* (local "jealousy" and influence will sufficiently take care of itself in the choice of those legislators), a much less number of legislators than now will just as perfectly represent the voice and will of voters as a larger number, and speed, efficiency and economy would all be favorably affected were there say not over 50 legislators and one

house or 100 to 200 members of Congress instead of several hundred.

Let us summarize and "vision" some of the possible beneficient results of this combination of "justice and practical sense" in "Sane Suffrage, Mobilizing, Educating, Utilizing Public Opinion."

RIGHT TO VOTE. Is it not preposterous that in ordering, vitalizing the life of a community, *one* ignorant (if naturalized) foreigner, bachelor laborer, paying no taxes beyond his $1 poll-tax, who cannot read, write or even speak the language of his neighbors, has little interest in current life, none in the years to come, should have *equal* voice and weight of vote with a whole family of educated, thrifty, large-tax-paying, many-generation-residing, American man, wife and from four to ten children, two or three of them through or in college, half or more of them as far as in or through high school?

The question stated is conclusive, thundering answer —"preposterous"! Yet so it has been—is commonly—in our laws.

Start the foreigner with a one-fourth vote, when he gets his "first papers," and can read and write and talk the language of the community a little; make it one-half vote when he gets his final papers; a full vote when he can pass an examination in civics—as a youth passes an examination for high school or college.

CHILDREN VOTES. The chief value would be its healthful, educating influence, stimulating interest in life, pride, ambition, dignity—oneness with the life of the community, the world. Their weight of vote is of gradual growth, as their education and intelligence are of gradual growth.

REGISTRATION and votes by written signature, by mail, with ample time for deliberate consideration, with facts and arguments before the voter, concisely stated in plain print—both sides, all sides—all this is such obvious

"practical sense" as to need little more than statement.

Educating public opinion, giving it also at the same time opportunity of expression—"clarifying, "evoluting" —by concise systematic Bulletins, separating local, state and national matters—all fairly obvious "practical sense."

WEIGHT OF VOTE in legislative chambers, according to the number and weight of votes each Assemblyman, Congressman, Senator represents, is further obvious "justice and practical sense." It gives mathematically exact justice and weight and influence to majority and minority—not virtually "disfranchising" the possibly one-third, two-fifths or three-eighths or more of "minority" voters, as do present "majority party" methods. The majority will still rightly have the power of decision, but the minority is always necessarily consulted before deciding.

WEIGHT OF VOTE according to taxes paid is meant only as a "check" on hasty, ill-considered legislation. The conservative, practical, educated, successful voters, who mostly pay the bills, if not given the real final power to say what bills shall be incurred, are given special opportunity to emphasize economy and efficiency as it is specially to their *interest* to do—and for the real *interest of all* citizens.

"ONE BIG UNION!"

Does not that "One Big Union" slogan sound good to you? It does to me! It recalls with a thrill the heroic times of 1861 and the inspiring strains of the rallying war song:

> The Union forever! Hurrah, boys, hurrah!
> Down with the traitor, up with the stars;
> Rally round the flag, boys, rally once again,
> Shouting, ETC., ETC.

And Daniel Webster's patriotic, eloquent: "The Union, now and forever, one and inseparable"!

The I. W. W., which started the slogan "one big union," are no great favorites of mine, but I really feel a little touch of gratitude to them for giving emphasis to that happy, beneficent idea "One big union"—let us repeat it, sing it, make it "go"!!

The I. W. W. did not realize just where that thought logically leads. They thought bloody class war. On the contrary, it means blessed peace!

"One big union" lets us all in, of course—all equals. Ballots, not bludgeons, or brick-bats are to count.

Let all "labor" be "organized," all laborers share equally in beneficent benefits.

Think of it! Only 44 hours a week of work—may be only 30 hours, 6 hours a day, 5 days a week. Farmers' wives rejoice!

And milkmen, and poultrymen, what about "us"? Will not our cows and hens laugh at us, and the suggestion (or go on "hunger strikes"), they who work 7 days a week, daylight till dark? And the "length of days" of hens actually being *increased* by electric lighting, to "egg 'em on," if possible, to two eggs a day each, to catch up with the "high cost of living"!

A favorite phrase of wise old Dr. Lyman Abbott—true patriot-editor—is to the effect: "The cure for the evils of democracy is more democracy." Let us make trial of that "cure" by sober, earnest, systematic, just organization of "One Big Union."

We "laborers" all, whether we wish, or think it so, or not are in "one boat"! Let no one "rock the boat" (whoso does, let him be whaled like Jonah"!)—and let every one "pull an oar," or, as saith the apostle "Not work" not "eat." Work "strike" and "hunger strike," if begun at all should *coincide* "on the dot!" When coal miners

say "freeze!" to the public, let the public say to the miners, "go hungry!"

Strike is the method of war—and we have lately had a big demonstration that war is not the best way to get happy results.

And let us remember, too—not forget it one hour—that we *now have* "one big union" in the U. S. government—legislative, judicial, executive—also big "State Unions," 48 of them, which, together, completely dominate all other conceivable unions of "class" or "capital."

Subject to these dominant, all comprehensive "unions" of *all* who live under the shadow of the American flag, "class unions" of miners, railroaders, farmers, policemen, doctors, clergymen—even of "capitalists" are not only allowable but *commendable.*

In this great free country *everybody* (who pays his keep) has the right to *do as he pleases*, so far as may be, and allow the equal right of everybody else to do likewise.

Subject to the recognized rights and powers of national, state, community *taxation*, every man who labors has a right to all *the products* (not a part) of that labor.

This last means, obviously, logically, that whoever earns money by service has a right to do with that money what he pleases—squander it, hoard it, loan it, invest it in any way the laws of our present "big unions" allow—so far as what he has is "honest money," and it is an assumption of law, equity and *sense* that *every* man's money is "honest" till proved to the contrary, when he must "make good" to whoever has been wronged.

Bearing in mind all the foregoing obvious and fundamental truths let us proceed with the organization.

As in the case with our glorious National Union, which is made up of 48 State Unions (and "then some," territories, etc.), so our "One Big Labor Union" will be made up of *many* "Class Unions"—Barbers, Butchers, Bankers, Plumbers, Preachers, all the alphabet of labor—each "class" has some special "interest" distinct from every other, and special separate organization is highly desirable. Instead of the saying: "We are all in the same boat," it would be "truer" (*sic*) to say of the "all," the "same *fleet*," the different "classes" *each* in "same boat," the many making the "fleet."

The first step toward Big Union organization is "Registration"—already carefully worked out under "Sane Suffrage," page 157 of this book. Every one (not imbecile, pauper or other "incompetent") will choose (or be properly assigned to) some "class", and each class will elect its "Local Council," those "State" and "National Councils," all of which will "legislate" and plan "what is considered by each" for the good of "the Class Union." All these many "Class Unions" (Carpenters, Masons, Coopers, Miners, Longshoremen, *et al.*) each having vote in proportion to the number of members in the Class Union, will choose a "Great (small in number, for the sake of greatest efficiency) Council" for the "One Big National Union" which will "legislate" and decide all questions which affect *all* the unions.

With the "good of all," and "wrong to none," of class or individual, as the object of this Great Council of the One Big Union there will follow *absolute* "Peace and Prosperity"—*universal*—wealth "beyond the dreams of avarice."

No economic "legerdemain" will make "everybody rich" and happy. That will follow as the *natural*, inevitable result of universal peace, industry, thrift. *Not* "equal" distribution of wealth, but *just* distribution. Some may prefer laziness—sloth—"six hours a day, five days a week," and can have it (while they find employers who like that kind of "help"); others who find their greatest happiness in useful work, as some of us do, will work longer hours, keep sharper tools, employ more and better machinery, "mix brains and enthusiasm with their paint,"

save more and make their savings work for them, and so in time hold "higher seats" in the Coliseum of world success.

No "cunning of class solidarity," no "hocus pocus" smartness will make corn grow without cultivation, hens lay eggs without feeding and housing—no "excellence" of any sort without "great labor."

The "Great Council" will *justly equalize* the "wages" —compensation—of all labor. It is ridiculous, as inequitable, the difference of "compensation" and hours and conditions now existing in different "classes" of "organized" and unorganized labor.

Under the One Big Union *all* will be organized. The vast increase of "production" which will follow the actual multiplication of real, tangible, satisfying things which go to make what we know as "wealth" will be so great that perhaps no "class" will receive *less* compensation than now, but many other classes will be *increased* in proportion to them.

Under the One Big Union regime there will be no expense of "Walking Delegates" or "Organizers"—*everybody* will be "unionists," no one "open shop." There will be no vast cost of "strike benefits," because no more strikes, or occasion for them, for labor will receive as its compensation practically the entire product of labor, because "capital" will be so abundant and cheap, made so naturally, through our "Unshackled Postal Savings Bank" (inevitable so soon as the mass of those who labor learn what that means—almost amazing that it is so long delayed—see pages 23 to 90—and many others—of this book) that it will cost in a little while not over 3 per cent per annum, probably only 2 per cent, for all "capital" needed for "production."

But there will be instead of these wasteful expenses (of strikes, etc.), vast "labor benefits" in "health insurance," "unemployment insurance" (not much of this—plenty of work for those who want—no "benefits" for

shirks or laziness), "old age pensions,"—vast "benefits" in universal, virtually free, higher education, art, music, elevating, developing sports and pleasures for all—the great things which *individuals generally* cannot provide for themselves, but which *all* want, and *must* be mainly "in common" if at all.

The vast cost of all these "benefits" must be paid for—by taxes on *somebody*, mainly on *ourselves*, members of all these "Class Unions"—so it will be like from "one pocket into the other" but "benefits" all the same. The plan compels providence, thrift, a measure of foresight for us all.

Let each "Class Union" member pay in, as earned and received, say 5 per cent of his weekly, monthly, yearly earnings. Let Uncle Sam *double that* (the tax to come out of the "excess incomes" of the rich, or more prosperous, graded, as now, from a small per cent up to 80 or more) making a Benefit Fund of 10 per cent of the nation's labor earnings. Each "class" will have benefits in proportion to the amount it pays into the fund; each will to some extent administer its fund, cultivate its growth, expend its outgo in the manner it deems wisest.

All this is not "paternalism" but *fraternalism*, co-operation; the vast body, or *bodies*, of Class Union members recommend all the details; the nation's Congress, chosen by all of us, make the laws for all details as *we* advise them to be made.

Is not this "One Big Union" so organized, so administered "practical sense"—the certain road to universal "Peace and Prosperity *via* JUSTICE"?

The "economic millenium" is not here—yet—but it is "due to arrive" whenever we "will" it to come—*via* mutual good will and service, not by grasping greed and self-seeking. Nothing is more shortsighted than selfishness.

"THE PRINCE OF THE POWER OF THE AIR"

This is not a fairy story.

Nor is it meant for a theological exposition of Paul's poetical phrase which makes our title.

It is to point out the glorious, illimitable, beneficent, unappreciated power, ready to become our bond-servant, without cost—even of its "keep,"—at cost only of the simple "harness" of that power—just WINDMILLS!

Nothing "new" is suggested; we purpose only to bring together the existing, every-day-used inventions and appliances of other men.

Would it not make the eyes of "Helen's Babies" dance with delight, now, to look out of the window and see that "wheel go round," and know how it is watering the hens, and the cow and calf, and old-horse Duke; at the kitchen faucet ready to slack your thirst; in the bathroom serving "Helen"?

Not only all this, now, but the power of that wheel is ready, one may fancy fairly "eager," to do any other work you choose to ask of it, light the dark room, run the sewing or washing machine, toast the bread, poach the eggs, iron the clothes, boil the water, heat the entire room or the whole house—or do any other work which ingenuity can devise and fingers of steel and of magnetism and electricity *can* do.

> What though Neshanic breeze
> Blows sharp o'er farm field bare,
> What though your nose it freeze,
> The power, you see, is *there!*

And power can be transformed into light or heat at your will. Not many years ago this was not known, but Franklin, Edison and thousands of other inventors have made it "A, B, C" to us blessed "moderns."

The wind charges nothing for working "overtime"; no "strike," ever, for "44 hours a week" or "5 days of 6 hours each." If it sometimes "takes a vacation," at the "will of the wind," it makes up for lost time by extra speed other hours. And there is unlimited resource for *power-storage* in the weight of water in reservoirs and in electric storage batteries. And turbines will transform the weight of water, almost every pound of it, into power again; the turbine gives its power to the dynamo and that, by wire, where you will again transform it into light, heat or power—even steadily as time "fugits"!

Is it "*cheap*" power? Indeed it is! That windmill yonder cost under $100, and it has run years and years, and will keep on running! With 5 per cent per annum allowance for investment, and not over $5 a year for oil and repairs, that is only $10 a year for all that power, 24 hours a day, 7 days a week.

By simply building more windmills we can multiply the power practically without limit—and when we have used it, the wind goes on ready to serve in the same way our neighbor, and again serve indefinitely multiplied neighbors farther on.

See how simple a matter it all is:

There is perennial, inexhaustible water (limited size of stream) there in our little brook, spring-fed from the mountain side. The windmill pump elevates the water to reservoir of such size and height as we choose to build—a very small one will serve—say 50 feet high—call it Lake One. A pipe of requisite size leads the water down again to a turbine, which uses almost completely the power of the 50-foot fall, and delivers the water to a small Lake Two in the brook, from whence the windmill pump again draws it for use in another round, the water being used over and over again, only the surplus running away from the foot of Lake Two. The turbine power can be used direct on machinery on the spot, or used to

transfer its power to a dynamo carrying electric power by wire where you will.

This use of the water over and over again for power is not "perpetual motion," but is it not better than "just as good"—"practical sense," which our book title invokes. The "perpetual" is in the wind!

It is certainly better than the "vicious endless circuit" of "higher wages" and "higher cost of living" chasing each other!

And what is to hinder our building miles and miles of such windmill power plants across the country, like the telegraph poles (only animated ones!) we are used to see; "harnessing" unlimited horse power, with connecting feed wires, making "one unit," for city light and heat, or factory service, or for electrifying railroads?

As power is thus transferable and transformable without limit, and as the power of the air is practically without measure, and without cost other than the cost of "harness," is it not *obvious* that *when we will* we are out of the power of "monopoly Rockefeller oil," or of "robber coal barons," or of miners' "strikes," or of monopoly water-power streams and sites?

The fierce *cold* wind being thus transformable into *heat*, or into *light*, we may at least "make light of" some economic troubles! Is it not a "good joke" on this fierce cold wind to make it stop a bit to *warm* the house it chills?

Of course, where *large* power is wanted we would not needlessly install many little turbines and dynamos, but many windmills would pump the water through common large pipes to *lower* ground where *large* turbines and dynamos would receive and serve the vaster power.

And the power of the weight of falling water from an indefinite number of small brooks and streams through contributing pipes could be combined for service with the water from the windmill pumps.

To Editor Scientific American

Away back in "ancient times"—1881—you printed a 2-page illustrated article, "Type-setting by Steam," which told the story of my "American Book Exchange" use of that process. I "invented" no part of that revolutionizing machinery (though another descendant of John and Priscilla did have part in the development), but I was the first to use it on a large scale.

One book I so made that same year was the classic story of one Knight Don Quixote, which tells of his battle with the windmills, and how the knight got "licked"! Perhaps I don't know just how much I resemble "Don Q." in some of my economic "battles" but in the one above with the windmills do I not "win"?

Imagine a hundred such mills feeding one big common pipe, supplying water to reservoir Lake One (fed also by a spring-fed mountain brook) from which also the pipe leads to Lake Two on lower ground—100 feet fall—where it whirls a turbine which "zips" a dynamo, whence wires go to churn the butter, run the sewing machine, toast the bread, heat the house, run the feed grinder, or the trolley car, make light and laughter for the "movie show," etc.

Imagine those hundred mills so placed, not making one straight line so the wind in certain direction makes them "blanket" each other, as racing yachts sometimes do, but arranged zigzagging picturesquely over the landscape, so, for instance, to a passing airplane they would spell

MUNN & CO.,

or perhaps spell the name of my little juvenile magazine of 1872,

WHAT NEXT?

Would not that be amusing, possibly instructive to the wondering spectators on planet Mars?

Neshanic, N. J. John B. Alden.
January, 1920.

P. S.—Instead of the windmill pumps drawing water direct, they might be made to compress air, and so the pumps be located directly by the wind power, on the towers, or on the tops of buildings; pipes, for the air, could lead from the compressors to large submerged pneumatic tanks in Lake Two which would be alternately filled with water or air (automatic devices serving) forcing the water in almost steady streams into the pipe which feeds the turbine. The great compressibility of air and its elasticity will greatly reduce the strain of high winds on the machinery, considerably reduce the dead weight of machinery required, and largely eliminate the opposing inertia of water in the ordinary water pump.

Instead of using water, *at all,* of course the air itself as steam is used on a turbine; a large reserve pneumatic tank, or a series of such, smaller tanks, taking the place of Lakes One and Two and of the pipe between the lakes. If air alone is used, it would be a question of engineering expediency as to what degree of air pressure would be most desirable.

And the use of air only, instead of water and air, would have comparative advantage for a very level country, the need of different elevations of Lakes One and Two being eliminated.

WHAT ABOUT LAND, LAND TAX AND "SINGLE TAX?"

"Single Tax" is a misnomer and mistake, since nobody believes or can sanely believe in it—as the very name would cut out Income, Inheritance, Excess Profits and other taxes which about everybody does believe in. Automobile taxes, for instance, for road improvements are "healthy" for automobile owners who pay it, because good roads would be impossible without taxes and it is an eternally right and wise rule that "those who dance should pay the fiddler," and they will get the "best music" service only when they do so pay.

But the Single Taxers are everlastingly right, and logical beyond possibility of answer on many points relating to land and its taxation. The evils of so-called "land monopoly" (another misnomer, but approximating truth) speculative withholding land from improvement, compeling demoralizing "tenantry" instead of small land ownership (or equivalent) are great and far-reaching almost beyond characterization, and such evils *can be* as well as *ought to be* remedied.

Wherein the Single Taxers most seriously "fall down" is in ignoring the equal righteousness of other truths besides those they advocate, especially the "justice" almost universally seen in the phrases "vested interests" and "inviolability of contract."

"Society," custom, has voluntarily made *existing* laws relating to land and has made a "moral contract" with all who have bought land, and now own it, that the "value" it now represents shall not be taken "without due process of law" or "without compensation."

It is *true* that the "unearned increment," the principal value in high-priced land, is created by the "community" far more than by the individual who occupies the land—

but the community has by accepted custom agreed with that "individual" that the "increment" shall be *his*; he has honestly bought and paid for it, and it must not be taken from him without compensation.

The plan of "Mutual Aid Associations" (page 123) shows the easy, natural, altogether beneficent, for all parties, "way out" of the land tangle evil.

The right of the community under the law of "eminent domain" is just as universally recognized as is the principle of "inviolability of contract." If the community *needs* land for a roadway for a public park, or for any other essential community service, it has the right to *take it*, paying for it a just price.

Even far broader, in practice, "than the right of eminent domain" is the right of "mutual agreement" between a community and the individual. The "Mutual Aid Association" plans do not involve "compulsion" upon anyone. Whoso chooses to live on in the old "every fellow for himself and blankety blank take the hindmost" way can do so, but he will inevitably be so benefited and influenced by the bulk of the community who choose, not "paternalism" but the "fraternalism" of "Mutual Aid," which will give the "utmost strength of union" along with the "utmost vitality of individuality," that it is believed that in time nearly *all* will voluntarily come into this more "perpetual union" by ready, voluntary agreement.

The Mutual Aid Association starts with taking, by voluntary sale and purchase, or by the "law of eminent domain," the land that is *necessary* to its most prosperous existence, sites for its water power mills, its markets and warehouses, community houses, schools, churches, recreation grounds, parks, etc. Many nearby private residences and independent flourishing farms may continue independent, or they may, some of them, voluntarily, transfer their real estate holdings to the M. A. A. either for cash the association may voluntarily pay, or for shares of its capital stock.

Note some of the advantages of this voluntary transfer: John Jones has a prosperous 100-acre farm, worth, say, $10,000; he transfers it to the M. A. A. for $2,000 cash and $8,000 in shares of common stock (a part of which under the terms of ownership of all such he may be compelled to part with later at par) which will earn him dividends of 10 per cent per annum. The $2,000 he will put into the Postal Savings Bank, where it will earn him, say 4 per cent per annum, or he may invest a part of it in additional home comforts, or in the better stocking or improving his farm so that the farm will earn him a larger income. The other $8,000 of stock shares will earn him 10 per cent per annum to the extent he is able to continue to hold; and if in an emergency he should need temporarily to borrow some money, those shares of stock will be perfectly good and acceptable collateral at any bank.

But when John Jones thus sells his farm to the M. A. A. he may continue to hold it and use it, as his *real* permanent home, just as completely and freely as if he had not sold, by the very simple expedient of simultaneously with giving his deed for the farm he shall receive from the M. A. A. a *lease* of the farm, for a specified annual rental, the lease to be renewable at the option of the lessee for a specified or indefinite time. The lease may be on the basis of, say, 5 per cent of the selling value and subject to reappraisal at intervals of five years, may provide that lessee can add and remove, at his will, improvements on which added value he shall pay no rent. This arrangement will secure to the M. A. A. the full benefit of all future "unearned increment," John Jones as a shareholder in said M. A. A. continuing to have his pro rata share in *all* unearned increments from all *other real estate* owned by the M. A. A.

The plan above outlined will give and preserve, for the benefit of the community and of the individual, every advantage which is involved in the "Single Tax" prin-

ciple; and it *also* holds level the scales of immaculate justice toward the equally fundamental rights of "invested interest" and of "inviolability of contract."

As the M. A. A. is able to get, by means of its "alliance with Uncle Sam," practically unlimited outside capital (beyond what the community itself supplies, at 10 per cent, "from one pocket into the other") at a cost of 3½ or less per cent per annum, it can well afford to buy, at a safe price, an indefinite amount of real estate and lease the same at 5 per cent (the lessee also paying taxes) per annum on valuation. Thus John Jones' $10,000 capital, on old plans "tied up in real estate, unavailable in an emergency," becomes "fluid capital" instantly available in an emergency at an interest cost very much below what John Jones has always been compelled to pay.

Suppose, on the other hand, that John Jones prefers to continue to live in "the good old way of every fellow for himself"; the value of his real estate (by reason of its proximity to the growing, flourishing community, with many advantages to John Jones) will gradually double, quadruple (and then some) in value, all the "unearned increment" thereof for the benefit of John Jones, none for the advantage of the community that has created it. On the other hand, John Jones gets no interest in the "unearned increment" of the vast real estate holdings of the M. A. A., which he would have were he a shareholder. And suppose it should happen that as John Jones has "boycotted" the M. A. A., refusing to share in its responsibilities—suppose the M. A. A. should *reciprocate* and "boycott" John Jones, refusing to have any dealings with him? Where would John Jones be? Would not "blankety blank take the hindmost" get him?

Aside from the "Mutual Aid Association" relations to "Single Tax" as here outlined, it is suggested:

As we have Income Taxes and Inheritance Taxes based on gradations of from nothing at all on small sums up to a little on larger sums, and growingly heavier

taxes as incomes and inheritances increase—just and expedient gradations almost universally accepted—so also it would be right that there should be gradations of the taxes on real estate holdings (land values separated from improvement values) or real estate incomes, in city or country—graded taxes that would gradually wipe out many-thousand-acre farms (or many-hundred-acre), million dollar holdings in the cities, because smaller holdings would pay smaller taxes.

And in case of great shortage of homes because of rapidly growing populations, such as Newark, N. J., New York City and many other cities, were "up against" in 1916 to 1918, instead of subjecting not only the *new* populations but also the entire already existing population to millions of dollars of "profiteering" increase of rents or of purchase money for real estate, why should not each city "finance" one or several Mutual Aid Associations to build the additional homes needed, thus by reason of certain-coming competition keeping down the rent of, or selling price of, homes existing?

For instance, Newark, by aid of Uncle Sam and an Unshackled Postal Savings Bank, could finance the preferred stock of $5,000,000 of a Mutual Aid Building Association (with power to render members any other service) at a cost to the city of, say, 3½ per cent, the preferred stock to earn the city ½ per cent more, or 4 per cent. Another $5,000,000 (or any larger sum wanted) in common stock to earn 10 per cent per annum ("from one pocket into the other," ultimately) would go first to owners of the real estate purchased by the Association, those having positive right to hold such stock for the first year following, only (see plan in detail, page 123 and following); second, to the prospective tenants, say 10,000 population, 2,000 families (estimate average $1,000 each would be $2,000,000 of working capital here) who would have the right to own such 10 per cent dividend stock *permanently* in amounts pro rata to the

rents or other patronage they give to the Association; third, to the outside public—plenty of 'takers" for a sure 10 per cent stock, even if they are compelled to sell a portion or all of it by and by at par.

Buying thus one large body of land, or several smaller bodies, on which the Association will "plant" 10,000 population, with vast improvements, the Association would buy it "cheap," as compared with what separate individuals could possibly buy small holdings, and "ground values" would *at once* double, or multiply perhaps many times, if the Association chose to sell (which it will not); being able to contract for such immense improvements (2,000 families, average $4,000 each equals $8,000,000) the Association could make them at cost far below what individuals could do; with a body of such large population to serve, the Association could "dictate" for them such "trolley" or "jitney" service as would be desirable and possible, or could itself directly perform such public service.

The city would receive not only ½ per cent per annum *profit* on its $5,000,000 investment ($25,000 a year), but it would have the benefit of vastly increased *taxes* on the property of the Association, and the merchants and manufacturers of the city would receive the benefit of the patronage of the 10,000 added population—and all this would tend to average increased values of real estate throughout the city—so landlords would have some benefit, as well as competition from the M. A. A.

Leases given by the Association could be made long or short, as mutually agreeable; rate of rents would be subject to reappraisal at due intervals, and rents would naturally *increase*, in time; but as the preferred stock is to get only 4 per cent dividends, and the common stock is limited to 10 per cent ("from one pocket into the other," note) the *additional* profits must go in accordance with the fundamental plans of the Association in reduction of its charges for service to its patrons—that is

mainly to the tenants themselves in reduced prices of commodities or service.

Thus the "unearned increment" of all land owned by the Association belongs to the Association and all its benefits go to the holders of its common stock, that is to its tenants and patrons of each current year.

By a fundamental principle also in the plans of the Association the "*right*" to own common stock in it (with right of 10 per cent dividends) is limited to those who have dealings with it, in proportion to their annual dealings (rents paid to it, commodities purchased from it, wages or salaries received for serving it, etc.); "outsiders" have the "*privilege*" to own the stock till patrons are able or choose to buy it from them at par. This feature inevitably would result in the gradual acquiring of *all* common stock by the patrons of the Association, and by the common stock gradually taking the place of and retiring all preferred stock, so the cities' investment would be at an early time entirely liquidated and ***all*** profits of the Association would be divided among its patrons in proportion to their annual patronage.

The Association could, if deemed desirable, own and operate its own trolley lines, jitneys, or any other public service. The organization of the Association being, through and through, absolutely democratic, the power of guidance of its affairs would be in the control of those deemed its best men, whose self-interest would spur them to the utmost efficiency, service would tend to the utmost economy and perfection—altogether different from service under political appointment and favor.

Our city, state, nation, schools, churches and other organizations are *all* of them in some degree "mutual aid associations," each in its limited field. The Mutual Aid Associations herein described and advocated are organized for "*strictly business*" on plans which compel "*self-interest*," automatically, to work for the *common interest of all.*

FRANKLIN UNIVERSITY AND FRANKLIN CITY

A university excelling in magnitude even Harvard, Yale or Columbia—or all of them together!

A big city that will exist because the university faculty, students, and those required to serve them will be so great in number as to *be* a city.

Franklin will be the world's largest (present) university, and will be "financed" neither by charity, philanthropy (when will that humbug word become obsolete—made so by substitution of the *proper* word, *justice!*) nor taxation, except incidentally and transiently, because it will be self-sustaining—and yet so cheap in its tuition that any proper student will be able to pay his (or her) own way—the education it will promote will *pay*—as will most good things rightly run, whether credited with paying or not.

Franklin University is the vast school built by and for the Printing and Allied Arts, where "education by doing" will be developed as never before. Its name is chosen in honor of (him and of *it*) the most illustrious of printers—the *practical* patriot and statesman, inventor, scholar—*just* man, who "discovered" one of the greatest of economic truths, that "honesty (unselfishness) is the best policy."

The genesis of Franklin University may be said to have started with the great printers' strike in New York City in 1919, and a study thereof—on top of three-score years of practical experience and study in that and allied fields—study to find a *permanent* solution and preventitive of such troubles, and to secure for the future of the allied arts the healthiest possible growth toward attainment of utmost efficiency and perfection in those arts.

Education—broad, comprehensive—especially the education which comes from practical *life*, and of associations with humanity and other environment that is natural, healthful, elevating—this only will "cast out the devil" of unrest, and give delightful work and occupation for brain and soul and hand that will leave no room for "mischief" that comes from "idle hands."

Let us get down to details concerning Franklin University—and City!

Where? The final location will be where those who are most interested in it will "vote" to locate it. To make the vision of it as clear as may be, and for the convenience of the (temporary) "designing architect," we will choose ten miles square (100 square miles, 64,000 acres) of gently rolling country about halfway between New York and Philadelphia. The Raritan and Neshanic Rivers will supply drainage and much of power—(hundreds of thousands of horse-power now run altogether to waste over those beautiful fields, ready to serve when called on—*air* power). The "real estate" will cost possibly $20,000,000—estimating $300 an acre, as it is gloriously good farm land, mostly, and includes villages and an embryo city.

It will not cost any *real* money to buy all this property—Franklin University will be a national Chartered Corporation, with unlimited numbers of shares of preferred stock which will earn dividends of, say, 4 per cent, and unlimited number of shares of common stock to earn all it can make. Those who now own the real estate will be glad to take preferred stock for their holdings, *knowing* that the property taken will instantly double (or multiply more times) because it is to quickly become a vast city with many tens of thousands of population. So far as any actual money may be desirable, if not actually necessary, an Unshackled Postal Savings Bank, and Mutual Aid Association, as elsewhere explained in detail in this volume, show how money, practically unlimited, can be secured at from 3½ per cent to a little more.

"Working capital" for Franklin University will be secured, to start with, by *temporary taxation* of the Printing and Allied Arts of the entire United States, the Arts which are to own, run, and *be benefited* by Franklin University and City—a tax of, say, ¼ of 1 per cent per annum on the gross business done by:

Every printing house in the United States.
Every book publisher in the United States.
Every newspaper in the United States.
Every lithographer in the United States.
Every paper maker in the United States.
Every electrotyper in the United States.
Every engraver (photo or other) in the United States.
Every ink manufacturer in the United States.
Every printing press factory in the United States.
Every advertising agency in the United States,

and any other arts or occupations directly connected with printing and alllied arts.

This tax would of course bring in many million dollars a year, and yet, *practically* would be *no tax at all* because for each dollar of tax so taken there would be given in exchange a share of common stock in the Franklin University Corporation, and that stock is sure to earn and get big dividends as soon as Franklin University can get fairly to running—when taxation to support it will diminish or cease.

To start with, this common stock would get the (probably) $100,000,000 "profit" in the increase in value of the *real estate* in Franklin City, made by concentrating on it scores of thousands of industrious, enterprising people.

Common stock would have voting power (as preferred stock would not—see method of voting in "Sane Suffrage" chapter) and elect the board of directors,

which will locate, build and run Franklin University and City, employ its faculty, make terms of entrance for students, fix tuition, fix scope of all the many schools and laboratories and shops and factories.

Every special trade in the Allied Printing Arts would have its own vast school and equipment especially suited to its purpose all determined by the taxpayers in that special trade, that purpose being to educate and train its thousands of students to the highest degree of skill and efficiency in the specialty each desired to learn to perfection.

There would be an enormous printing plant, equipped "to the limit" with every desirable kind of facility and machinery, one special object being to test and perfect new devices, to stimulate and reward invention. The "plant" would turn out a vast "production," of the highest quality, for which production Franklin would receive the full market price, and thus bring a great income to the university, a dividend (ultimately) for its common stock. The magnitude of the plant and product would be not at all for the sake of the dividends to be earned, but because great magnitude would be necessary to accommodate the great number of "students" from all parts of the United States who would come to Franklin to "learn the trade" and win the "Franklin diploma," which diploma would be ample guarantee of employment aplenty at highest remuneration wherever the student might choose to go. Herein would lie a most satisfactory dividend to employers who have been taxed, in the educated, trained, sane, well-balanced "graduate" employees they would be able to secure to do their work and beneficially influence their other employees. These trade learners, in every line, would receive pay for their services, whatever they were worth, *while they learn*—very little at the first, practically full wages near the end of their training. But there would be no *permanent employees* in Franklin except the "Faculty Foremen"; as each

student received his diploma, which would show his actual record of attainment and measure, to an extent, his power to serve his employer (or serve himself should he turn employer), he would pass along to the outside working world, and new students would take his place at the front end of the educational "chute."

So also there would be: a great bookbindery and school.

A great printing press factory.

A great paper mill, turning out every important kind of paper product.

A great typewriter factory.

A great printing ink factory.

A great newspaper plant with its model daily, weekly, monthly variety of papers and magazines to serve the faculty and students of the university and all citizens of Franklin City, and, to some extent, to serve the whole tributary outside nation and world.

A great school of stenography, typewriting, accounting, etc.

A great school of practical journalism.

Great schools of chemistry, art, economics—schools for whatever contributes to the growth, prosperity, perfection of the Allied Printing Arts.

The scholarship of Franklin University would in some degree be all-comprehensive; as its schools would serve all the inhabitants of Franklin City, as well as its student body especially; it would start even with the kindergarten, and might in some measure take in even law and medicine and theology (what a noble city Franklin would be in which to raise a family of children, the entire city, its very atmosphere, being given to educating, elevating influences!), but the "specialty" of Franklin University would be the *practical* teaching of the Printing and Allied Arts.

We have *started* Franklin University and City with "only" ten miles square! The size and shape are only

suggestive; zigzagging lines, rather than straight, according to water drainage, would be desirable. It should not be a "solid city," except in smaller part, where the great factory, laboratory buildings and student class buildings, executive offices, etc., etc., for the sake of nearness in daily work and study, might make many "blocks" solid, even "sky-scrapers." But with the ability to "get there" quickly given by electric and other transportation, it is proper and wise that Franklin shall be mainly a "country-city," affording rural beauty and health and pleasure. Whether Franklin shall soon become a city of 50,000 population, or of several hundred thousand, it is not undertaken to speculate. Maybe it will not be long till "ten miles square" will be too small—then it can grow as other cities do!

The original inhabitants from whom the ground of Franklin is purchased can, naturally, most of them, stay for a time at their original homes, till the grounds are wanted for university development. Till wanted for factory, school or other university use, any of the land purchased can be leased for any legitimate use, but Franklin will never sell any land at any price, only leasing it, transiently, or for longer time, according to conditions.

Franklin thus owning all the land, leasing it only, transiently, for specific use, the university would get all the benefit of the "unearned increment" of the land, and even more important, could always "select" the character of its inhabitants, in all its future, making all occupations and influences tributary to the objects of the university.

The *one* great object of Franklin University will be to build and train *men and women* to the highest possible attainments of knowledge, efficiency and skill to do the work, to guide and shape and control and *own* all there is, or will ever be, in the Printing and Allied Arts of the entire nation.

Its great aggregation of allied schools would afford

opportunity to learn all allied trades, beyond comparison with the restricted opportunities to learn trades now in the various shops of big cities, and the highest efficiency should be made possible in probably *half the time* now required for apprenticeship in ordinary channels.

Now, *anybody* can learn to be a farmer, or banker, or lawyer, or doctor, or teacher, or clerk, or salesman, or merchant of any kind—but if a boy wants to become a typesetter, or pressman, or bookbinder, or electrotyper, or any other special trade in the Printing and Allied Arts—the foreman of a great printing office or bookbindery, or the proprietor of it, who wants a son to follow in his footsteps, is not free to teach that son his own trade, but if the shop is "union" (as most are, and *all* should be—see "One Big Union," page 164 of this volume) he will first have to *get the permission of his union employees*, and make all details and conditions *conform to their will*—so it has been in these cities these many years.

In Franklin University, whoever has necessary health of body and mind and ambition to learn, and can pass the simple examinations as required in any school, and pay the small tuition (for which he may even be "trusted," and have opportunity to learn and pay his debt) can learn any trade taught in its schools, just as any student is free to enter in any college to study for law or medicine.

And it is for the "self-interest" of the taxpayers who finance Franklin University to make its school facilities as easy and cheap and efficient as possible, so as to graduate the more and better students, and turn out the larger and better products from its vast school-factories, to pay dividends on the common stock.

Cheapness of tuition, and of living while studying and learning at Franklin should be great beyond comparison with Yale, Harvard, *et al.*—because there will be no vast increase of "ground rent" in Franklin, the one item

which more than any other goes to make the "high cost of living"—Franklin *owns* the ground and its profit is not in increasing rents but in increasing and improving the "product" of *men and women*. Franklin will buy, or control the buying, of the vast supplies necessary to all the inhabitants of Franklin, and its interest will be to buy and supply at the *lowest possible cost*.

Franklin will own, or make all the vast power, to run its enormous plants—there will be no "monopolies" to dictate terms to it. Of course, Raritan and Neshanic Rivers can possibly supply only a small part of the vast power needed.

But on the 100 square miles of Franklin there falls, yearly, nearly four solid (or liquid) feet deep of "blessed rain from heaven"—will some one figure the tons of that, which if "conserved," its weight, (above that needed for land-moisture) falling from highest land elevation to lowest, at the Raritan (500 down to 70 feet) transformed to power by reservoirs (with frisking fish in them) and pipes and turbines and dynamos?

And there is the almost measureless "power of the air" itself which is "free" to Franklin, for the simple cost of "harnessing"—see page 170 of this volume.

Of course it is no part of the object of Franklin University to illegitimately "beat" the "unions" of working printers, binders, electrotypers, *et al.*

"Free Trade in Finance"—an Unshackled Postal Savings Bank—will be for the benefit of *everybody* in increasing opportunity and production, cutting the "high cost of living" for all producers and consumers—see pages 23 to 67 and others of this volume.

"Free trade in transportation" (see pages 5 to 22 and others of this volume) will vastly increase interchange of "blessings" for *all of us*.

"Free trade" in *employment*, and the education necessary to its utmost efficiency, as planned in Franklin University and City, will not multiply "applicants for work"

in the Printing and Allied Arts beyond what is *profitable* work, as compared with the work of farmers, or lawyers, or bankers, or plumbers, and *everybody* will be *free* to choose the trade he prefers and thinks he can make the most profitable, or may bring him the most of happiness.

Franklin University and City is a carefully thought out "vision" adapted to *one limited line* of employment—a vision intended to be suggestive of what may be done in other lines—each putting "self-interest" and self-support back of the methods of securing efficiency and perfection in *its* "Allied Arts."

SHORT HISTORY OF A LITERARY REVOLUTION

[Reprinted, slightly revised, from *The Advance*, Chicago.]

It gives me special pleasure to present a series of articles entitled "Short History of a Literary Revolution."

To Mr. Alden, more than to any other man, we are indebted for the beginnings of that movement which brought good books within the reach of everybody. The home in which I was born had a good many books, as measured by the standards of that time, and I built up something of a library of my own, secured as premiums for the *Youth's Companion* and other good papers. Soon after the Chicago fire, being then a boy of ten, I secured a club for a new paper, called *What Next?*, which was published by John B. Alden. It was a bright paper, filled with good and interesting reading. Eight years afterward the same man began publishing cheap editions of famous books.

Mr. Alden retired from the publishing field, and now, a man of seventy, he is raising chickens in New Jersey. I did not know that he was living till I received an article from him entitled "Unshackle the Postal Savings Bank." I entered into correspondence with Mr. Alden and asked him to tell his story.

WILLIAM E. BARTON,
Editor of "The Advance."

CHICAGO, March 1912.

The history began* in a one-room (and attic) log cabin in Iowa. A "kid" of about a dozen years was used to lie on the floor in front of the open log fire and read by the blaze in the evening. Horace Greeley's *New York Weekly Tribune*, the works of Flavius Josephus, the old English Reader and Livingstone's "Travels in Africa" comprised the remembered part of the library. Like Oliver Twist, he wanted "more."

"Ambition, 'tis a grievous fault." Cæsar was ambitious—so was the "kid."

He left home at 14, and worked as "a hired hand" with various farmers. While chopping wood one season, at 50 cents a cord, he discovered in a little old, dead library, Shakespeare—an everlasting delight and a mighty influence.

In company with another orphan boy, chief chum of his early life, afterwards Governor (Lewelling) of Kansas, he tried to get work in a coal mine, but the boys were "turned down" because of youth and small size. On their way home, twenty miles across the prairies, the two became hungry and thirsty, so captured a couple of cows from a drove grazing by the way and helped themselves. Don't imagine they performed "lip service"—they knew how to "shoot straight" and milk taken so needs no straining.

A couple of winters in country schools, "doing chores" for board, and a couple of months in the town academy, three chums boarding themselves at a cost of about $1.25 a week, and the education of the future "book pirate" was "finished"—except in the "school of experience."

A little of that school was as a "peddler" on the road, at political meetings, selling peaches, apples, song books and maps, and as train boy between Burlington, Iowa, and Galesburg, Ill. Getting supplies in a book store, the

* Born March 2, 1847, in tenth generation from him of Plymouth and Priscilla, his father, Zephaniah, and mother, Damaris (Thompson) A. being of Iowa's earliest pioneers, the father dying at Mt. Pleasant in 1850.

owner of the store and his young wife "took to the lad," and he was offered a job in the store.

Professor Hurd of Knox College, librarian of a small collection of books, coached the boy a little in selecting reading. Abbott's "Life of Napoleon" fired his ever-growing ambition, and the works of Herbert Spencer and John Stuart Mill especially attracted the boy, and had great influence toward clear and independent thinking in future life. A "trashy" novel, dealing largely with the early life of William Wirt, was a great stimulus.

It was about this time the boy invented "Uncle Sam's Automatic Railroad Regulator" (perfected fifty years later), which, when statesmen discover it, will do more for peace and prosperity, and justice in the commercial world and between producers and consumers than (what is the biggest thing you can think of to serve for comparison?).

A college education was what he wanted—so wanted! He planned to try to work through Knox, but a temporary trouble with his eyes sent him for a time to his old home and mother, where he cut enough saw-logs to "float" to Chicago. There he got a place in another book store, then in another stationery store, whence the Presbyterian deacon proprietor "fired" him because he refused to sell playing cards and cigar cases. Early Methodist training had led him to look upon cards as "tools of Satan," and who does not know that "tobacco is a filthy weed, and from the devil comes its seed?" "Consistency, thou art a jewel."

Just to confirm his set purpose, he went to the leading Methodist clergyman of Chicago for advice in the case. His card decision was confirmed—but the minister advised that if the deacon would yield on that, he might sell the cigar cases. Afterward he learned that this preacher was a smoker!

He had a temporary experience, then, teaching a "nigger" night school—then more book store. While here he

became connected with Major Whittle's Sunday school, having charge of the infant class (443 attendance, one day). A movement in the church to induce young men to enter the ministry led a committee to offer him a college career (so longed for still!) at its expense if he would go. His answer was, "he thought boarding-house keepers of the right sort were wanted more than clergymen," which, of course, was figurative, his thought being that action rather than speaking was what the world needed, and that any worthy occupation consecrated to service could be made "holy" and infinitely useful. Action, not speech, in some line was to be his. Besides he could not "stomach" help—wanted absolute independence, never a penny of anybody's money, and he never had one.

In a little while a cousin with small capital proposed a partnership—the West Side Library and Book Store was started; presently a children's paper, "The Bright Side," which he edited. It quickly won a big circulation; the partner was bought out; then the Chicago fire came and everything went with it. "What Next?," a little magazine, came next, quickly won a phenomenal circulation and merged finally in the *Youth's Companion*.

Then he was wanted in New York City as business head of "Hearth and Home," of which Mrs. Stowe, Ik Marvel and Edward Eggleston were, at times, editors. Then, in 1875, he started, in a very small way, first by cataloguing from the shelves of second-hand bookstores, "The American Book Exchange"—by means of which you could exchange the old books you had and did not want for other books you did want.

By 1878 he discovered, almost by chance, that he could make new books cheaper than anybody could "steal second-hand" books. And there was the incidental advantage that one could make *good* books only.

Thus "The Literary Revolution" was started, whose first book was issued January, 1879. By 1880-81 they

were turned out by the million, one bookbindery's daily product being 7,000 volumes.

In January, 1879, the first book was printed. At first it was as an advertising scheme to "boom" the second-hand book business. The details would make an interesting story, but there is no time for them now.

He soon found out that he had struck a "literary gold mine;" that it cost less to make new books than to "steal" old ones, and the second-hand business was comparatively dropped.

In those times the usual price for almost any sort of book was $1.50 each—for Robinson Crusoe, Pilgrim's Progress, and such. He first made editions at 35 cents each, and found the number of possible buyers multiplied by ten, if not nearer by one hundred.

"Chambers's Encyclopedia of English Literature," formerly in two big, clumsy octavos, price $7, was the first work published, in eight small delightfully handy volumes, also in four volumes, at $2 for the set.

Quickly after came Geikie's "Life and Words of Christ," price reduced from $8 to 50 cents.

"Chambers's Encyclopedia" (of universal knowledge), was published then by another house at $45 in fifteen big volumes. He made a small-volume edition in fifteen volumes for $6. Bancroft, the historian, was one of the early purchasers—"because it is so handy." No "derrick" was needed to handle it. Another customer about that time wanted it "for use." He had the great "Brittanica" which gave best service "as a trousers press!"

A new literary sensation about that time was Arnold's "Light of Asia." A Boston edition was published at $1 or $1.50. Rival publishers, making a great "splurge" as "philanthropists" made an edition for 25 cents—and a "war was on" between them. He said nothing about philanthropy, but issued a nice big-type edition for 6 cents.

Tennyson's Enoch Arden had a great run in those times in expensive editions. He made it at 3 cents—and a host of similar little handy classics, including all of Shakespeare's plays at 3 cents each.

Grote's "History of Greece" was then in twelve volumes at $18. He made it in four volumes, $2. Green's "History of England" had a tremendous run in handy cheap form.

"Ancient Classics for English Readers" in twenty-seven volumes, $1 each. He issued it in charming shape for 10 cents each, or the set in nine volumes, "Half Russia" binding for $4.50.

Twelve notable biographies (Macaulay's Frederick the Great, and others) were issued in Boston at $1 each. He bought an edition from the same plates and sold it for 35 cents each; then when the Boston publishers "went back on" a contract for a cheap edition of Dickens' works, he made the plates of the twelve biographies, all in one volume, for 50 cents—and sold them by the ton.

When the Revised Version of the Bible was issued, the New Testament in 1881, there was great rivalry among publishers to market that. He put the entire plant of the largest printing house and electrotype foundry and bookbindery in New York City on to it, and set the type, electrotyped, printed and bound an edition inside of twenty-four hours.

The "Library of Universal Knowledge" in fifteen big volumes, large type, sold at $10 to $20 for the set, was his most notable work for a time. In the course of time it passed to the hands of another publisher for whom it "made a fortune" under the name of "The International Cyclopedia," selling at four to six times the Alden prices. Later he made a larger and far better "Ideal Dictionary Cyclopedia" (covering language and knowledge), in forty handy, large-type volumes, selling at $15 to $30. This also passed in time to other publishers, selling under other names at several times Alden prices.

Alden's "Cyclopedia of Universal Literature" in twenty handy, beautiful large-type volumes, biographies and specimens of the writings of all the world's famous authors in all languages (translated), was the first collection of its kind. In later years it has been known as Ridpath's Library, etc., and sold at several times Alden prices. Ridpath never saw it till after it was completed, and the new publishers lost the copyright by discarding his name to get away from his low price reputation.

"What did he do it for?"

Many people asked this question.

"Because he could and wasn't afraid to" was the only reason he ever gave.

He despised pretence of philanthropy and that sort of thing.

He reveled in good books, and it was a veritable delight to multiply and scatter them. He had known what it was to be hungry for them—why might he not help satisfy the hunger of others?

Is the Golden Rule something to be ashamed of? But must one brag about living it? It is as unseemly as bragging about being honest, or loving to one's mother, or wife, or children.

And to talk of philanthropy in the case is humbug! Geikie's "Life of Christ," for instance, price 50 cents, cost about 20 cents to make, after the "plant" was started. Those 3-cent booklets averaged cost a little more than half a cent. The $45 "Chamber's Encyclopedia" in the $6 edition cost about $3 to make, and so on.

For some years Alden had the field of "cheap books," and they were all good ones. Is it not contemptible in a man to pander to the bad? But competition, get it once started, will go farther than philanthropy, and pioneers get and expect hard knocks. They have to learn by experience and are likely to make some mistakes. By and by others come in and reap where they have sown. Of course there was some systematic and

persistent effort to "down Alden" by rivals and those who thought themselves hurt, but others learned how to do it, and that the field for cheap books was an enormous one—especially for cheap trash—and multiplied millions of books have been made since, even cheaper than Alden could make them and live!

But if you want *good* books, *worth while books,* you have to select them carefully out of the trash. When Alden made a book everyone knew it was "worth while."

About this time the process of photo-engraving had developed so that it was available for making book plates. Young's "Concordance of the Holy Bible" was a great work, recently published in London, and sold at $10 to $20. No large book had been reproduced by the new process. Alden tried it on Young. The plates cost $9 a page, but they reproduced every letter and Greek accent and Hebrew vowel point of the original. The foreign publishers learned that he was making an edition of Young, but knew not about the process. They supposed, of course, that he was setting the type. They published a statement that the new and "pirated edition" was full of errors. That was a good joke upon them, for Alden's book could reproduce only such errors as theirs contained! Two different patent methods in this interesting, expensive and successful experiment were used, and this was the beginning of the use of the new process in the literary life of America. This Young's Concordance, a volume of about 1100 large three-column quarto pages sold in the Alden edition for $1.50.

Look up the old files of the *Scientific American* for 1881, and you will find a two-page illustrated article, "Typesetting by Steam." It describes Alden's use of the new method of setting type, which has revolutionized the printing business. The invention was not his. By a curious coincidence a part of the mechanism was invented by another Alden, and J. B. was the first to use it on a large scale, and the enormous volume of business

he was doing by that time in the manufacture of books gave the new process a "big boost." The twelve-volume Grote's "History of Greece" and six-volume Gibbon's "Decline and Fall of the Roman Empire" were two of the larger works made by that process.

Alden was a pioneer in his field, and such men commonly expect and get hard blows. No Irishman at Donnybrook Fair more enjoyed the give and take of a fair fight than he. The London *Saturday Review,* which called him a "Book Pirate," "a gentleman who flies the 'Jolly Roger' in the publishing world." He enjoyed the article. See his reply further on.

In 1881 Alden met what seemed to be overwhelming, crushing disaster. A business built with phenomenal rapidity, with very inadequate capital, was necessarily largely sustained by somewhat inflated credit. His notes were counted "gilt edge" in quality, his own bank buying from brokers "on the street" his "in course of business" paper. The machinations and calumny of enemies started a "run" by creditors. Inside of six months over two-thirds of the debts had been paid (not a bank in the nation today could liquidate liabilities in that ratio, without help). Then, creditors, stockholders and friends generally advised a "friendly receivership" to avoid further sacrifice and to enable him to "catch breath" and reorganize. The "good will" (unprecedented with the nation's book buyers) was worth more than double the remaining debts. Suit was brought by a friend for a small sum and the "friendly receiver" secured. Instead of being "friendly" it was instantly evident to the contrary. Alden's own attorney had betrayed him. The bondsmen of the receiver were Jas. D. Fish and Ferdinand Ward, *the two men who years later wrecked the fortune* of Gen. U. S. Grant in Wall Street, both serving therefor terms in state prison. The receiver was a member of Fish's family. Over $60,000, it was said, was taken in from the slaughtered assets and not one cent

paid to creditors. No accounting was ever made. It was understood the last of the assets were in the "Marine Bank" in the U. S. Grant tragedy, which paid no dividend at all to creditors.

Without so much as $10 outside the wreck and with his only possible "capital" for new enterprise the "debts" he voluntarily assumed, right and left, the investments of stockholders as well as claims of creditors, Alden stopped not one hour to "cry over spilled milk," but proceeded to hunt "fresh cows" with such success that in about three years he had built a new business. It was not so large as the former business, but notable, making millions of the world's best books and never one that was not worthy, his specialty being classics in English and other languages translated into English, and cyclopedias.

Carnegie has built numbers of "libraries" which others fill with books, and sustain by taxation. Alden built tens of thousands of *home libraries* which would never have existed without his "Literary Revolution"—libraries automatically filled by those who own and read them, preferring that to "feeding from the hand of charity."

Alden "retired" from publishing some years ago (so this, you see, is not "an advertisement!") to a little poultry farm in New Jersey.

He did not "get rich," as have some—his way being more akin to that of St. Paul, "making others rich." But perhaps no man ever delved or tilled in the fields of literature who got from it keener enjoyment.

About thirty-three years after the disaster of 1881, some unknown New York lawyer wrote to inquire if J. B. A. was the son of the president of the American Book Exchange of 1881—if so, would be please call? Having had all he wanted of lawyers, Alden replied, rather shortly, that he was not the son, but his father,

that the road to Neshanic was public, and that the lawyer could come if he wanted to. He came.

A "dead bank account" had been found, not in the 'Marine Bank," but in a solid New York City trust company, drawing interest over thirty years, to the credit of "Receiver of the American Book Exchange," who had been dead many years. The lawyer wanted to try to get that money for somebody—for a commission, at his own risk and expense. He gave good reference.

But even Archimedes could not move the world without a "fulcrum." Alden had not a shred of legal evidence to tie a claim to. No court could appoint a new receiver without legal basis. It took about a year of "detective" rather than legal skill to locate the old safe of the American Book Exchange in a junk shop. It was bought at high value, and in it was found barely enough evidence, backed by Alden's memory, with the records before him, to secure a new receiver. After court and lawyers had their dues and pickings, a dividend was made pro rata among stockholders of record (mostly long ago dead), no creditor after that long time appearing in response to legal wide advertisement for claims.

Is not such a dividend under such circumstances, after 34 years, rather more wonderful than the fabulous "pot of gold under the end of the rainbow?"

It is only a petty sum, all considered (about $4,000), but it gave Alden the first real vacation of his life—a chance to "see America," or a little of it—and the many friends he had made by casting "bread on the waters" in the past. He found them wherever he went and had "the time of his life!"

I have told this story frankly and I trust with a reasonable degree of modesty, but if in the latter I have failed I trust the reader will hold Doctor Barton responsible for a part of it. I have written in the third person, and it was Dr. Barton who urged me to tell the

story in the first person and make it a "human document" which he thought would have interest and value.

Indeed, it is the editor of *The Advance* who must be blamed for the writing of this story. I told Doctor Barton I was much more interested in furthering the movement to make the Postal Savings Bank serve the interests of the common people than I was in telling in small detail the story of my own life.

I thought I was done, but like Oliver Twist, Doctor Barton calls for "more," and presents suggestions that call this forth.

Where did the "Literary Revolution" come in? Practically the words were mostly a "catch line" for advertising—a tiptop good one! It was born of necessity—the mother of invention.

You have heard how the best use of an obstacle is to make it a stepping-stone to something higher up.

When my first book was printed the next thing was to sell it. I tried to get into the usual book trade channels, and went to headquarters for access to the entire United States—the American News Company (a greater monopoly than Standard Oil ever was). They did not take kindly to my "cheap books" idea, and said that "when they had any orders for my books they would let me know."

It made me "mad"! I went home and invented the "Literary Revolution—not sold by dealers—prices too low." Every customer was made a walking advertisement—he just had to tell his friends of the good things he had found. There was a trifling discount to "clubs" —three, five or ten copies to one address. Newspapers were made to talk cheap! A country editor would give a "reading notice" (written right), using space he wouldn't sell for $5 for a copy of a book that cost 25 cents. Sometimes clergymen would talk (though never asked to do so) from their pulpits. Why not? Geikie's

"Life of Christ," reduced from $8 to 50 cents—worse sermons have been preached than that! Cruden's Concordance was reduced from $3.50 to $1. I must tell a joke here that is too good to skip. I had bought from an old-line publisher the "junk" out-of-print-plates of Josephus' Works and Rollin's Ancient History and made a big cash sale at a fraction of former prices. The publisher, as I thought, did not treat me as he should in a small incidental, which inspired me to make one "sample page" and prospectus of a cheap Cruden's Concordance. Cruden was one of their "best sellers." A copy of this sample page got into his hands—on purpose. He attempted to "kill me" with a rival cheap edition. I bought sheets of him, through a third party, to fill my orders. I never made or intended to make but that one sample page. This led to said publishers making large lines of cheap editions of other books, copyrights of E. P. Roe, Mrs. Barr, *et al.*, for the *benefit of buyers!*

After the "Revolution" had "revolved" some months, and about $30,000 a month sales had been reached, I changed tactics, and solicited booksellers by a big advertisement in the trade journals, beginning "There is less brains in the book trade than in any other line of business of the same magnitude," and offered "exclusive local agency" to one bookseller only (with brains) in each town, who was required to carry stock as I dictated and sell at my low prices. In the dull summer months I was flooded with telegrams to secure that "exclusive agency." "Cash with order" was required, even from dealers. I picked the best dealer in each town, made my terms, and he nearly always accepted. One good man, afterward Mayor of Philadelphia city, later Governor of Pennsylvania, started the "agency" by paying $1,000 required in advance and ordering books as they were wanted.

I never made an advertisement of the real "revolution" idea except as "actions speak louder than words,"

but as the time is long past and I only a "has been" publisher, I may speak of it.

The human-nature way for a publisher, manufacturer, merchant or farmer is to get the best price possible for what he has to sell. I had the "crazy notion" that a good "Golden Rule" way, with a good book, was to see how much book, how good a book, could be made to sell for the least money and make a living profit. There was no "charity" about it, just Golden Rule "business." I was dictatorial in the extreme; a price once fixed, I permitted no "beating down"—customers might take it or leave it.

I was there to secure buyers, to lure them into buying wisdom and beauty, incidentally to make a living for self, family, employees and stockholders.

I had quite an army of employees, generally faithful, efficient, enthusiastic. It was well understood among them that no one was ever to ask for a raise of wages. It was well known that I was looking for those fit to be promoted, that every week I looked over the payroll, rarely without making somebody an increase.

People seem to think of Carnegie especially in connection with "free libraries." (Humbug!—nothing is or can be free—somebody pays!) Now, I'm not even a little bit inclined to criticize Carnegie. He was a fine man, especially considering the environment of his bringing up. He perhaps did the best he knew, according to his light, and followed in the lines of foolish precedent. But I'd rather listen to a small boy playing his "jew's-harp" (his own) than to the swellest organ Carnegie ever helped buy for a church able to pay for its own music—or able to do without.

When I eat of the fruit of the tree of knowledge in book form I want to pay for it myself—as any boy of 15 is quite able to do, all that is good for him, when books are cheap as they ought to be. I don't want to eat of the crumbs from any rich man's table, however

good the man. (Don't think I'm "sore," but just a healthy indignation—at those who seek crumbs, rather than angry at the rich man.)

I'll wager a nickel that the great ironmaster thought, justly, with more pride and satisfaction of the magnificent (and beneficent, economically) iron industry he had built than of his free libraries—esteemed more highly the hard-handed, honest, efficient workman he trained—who would scorn to receive charity—than of the patrons of his "free (so-called) literary soup kitchens. It is poor soup, most of it!

Suppose that Mr. Carnegie had been "brought up" differently—that he had had earlier doses of altruism injected into his splendid business system. Maybe there would never have been a bloody Braddock strike; maybe taxpayers would not have paid quite so high for armor plate; maybe farmers and home-builders would have got necessary hardware a little cheaper (doesn't cheap essentials help along civilization?); maybe workmen would get better wages, better homes without the necessity of strikes; maybe a rich man would not have so much cause to fear the disgrace of dying rich.

Doctor Barton has taken advantage of natural three-score-and-ten garrulousness and set me to talking about myself, which I cannot help feeling is not quite seemly (and I've switched off, you see, to talking of Carnegie); I've done it mostly for the sake of possibly getting a chance to talk of something else more important.

I am ten times as much interested in the "ought-to-be" and the "can-be—shall-be," as in any "has been."

I protest against being classed with "has beens." I have not quit work—am doing my best work now. I have demonstrated, by doing it on my little poultry farm, that two crops a year can be grown instead of one, with about the same labor.

My article, "Square Deal in Milk" (combination fact and parable) put into practice (simple, and easily done),

would be worth hundreds of millions of dollars a year to producer and consumer in cutting the cost of living. What I have said of milk is true of all products of industry.

This is many times more important, more far-reaching, beneficent, magnificent, than that "has-been" Literary Revolution!

And that "Postal Savings Bank" idea is of immeasurable, incalculable importance. No banker, editor, economist has challenged or dare challenge the justice, practicability or expediency of all that is advocated. Absolutely the only opposition it meets is a "conspiracy of silence." Opponents are afraid to discuss.

Emphatically a peace measure, planned and presented before thought of world war, it would have strengthened the hands of Uncle Sam for war beyond comparison with any other financial plan presented. It would save taxpayers uncountable millions of dollars in the future years.

And it is "orthodox" to the limit—no "fiat money" or inflation, the gold basis in perfection, every bit of it on the foundation of *accepted precedent,* by economists, bankers and statesmen.

And I trust readers will find other "ideas" that will be helpful in this little "Peace and Prosperity" volume.

Doctor Barton asks me whether I have a copy of a poem which in 1881 and after I used as an advertisement, and who wrote it. I am glad he remembers it. I fortunately have one copy of it. The name of the author was never published. It was William Augustus Croffut, who at that time was a writer on the New York *Tribune.* He asked $50 for it, which I gladly paid, as it made good advertising and a lot of fun. From "Who's Who in America" it appears that Mr. Croffut died August 31, 1915. His ability as a poet received recognition at the World's Fair in Chicago, when he was appointed to read

the opening ode of the Columbian Exposition. Among his other verse was an opera, entitled "Deseret," the music of which was written by the famous composer, Dudley Buck.

By Dr. Barton's desire I furnish these verses, which he says are good literature, good advertising and good fun—but not always accurate as to titles and prices of books:

I slept where the moon, serenely bright,
Shone full in my face through a summer night;
I dreamt I was in a Land of Light,
With Fielding and Moore and Shelley and White,
And Shakespeare and Milton—a goodly sight;
With Addison, Dryden and others quite
  Too numerous to mention;
And there the worthies, one and all,
Whom we the "classical authors" call,
Beneath the shade of Parnassus tall,
On Pegasus Place, in Helicon Hall,
  Were holding a big convention.

Virgil was sitting beside Voltaire,
Boccaccio chatting with Dumas, père,
And Pope curled up in the corner there,
While old Sam Johnson was in the chair,
Wall-eyed and grim, with carroty hair;
And he said, "Of course, you're all aware
  Of the latest earthly advices;
The publishers seem to be going to smahs
Beneath the great 'economy' lash,
For John B. Alden is cutting a dash
Exceedingly reckless and awfully rash,
In selling for almost nothing for cash,
  And ruining regular prices!

"I hold in my hand a letter from four
American publishers who feel sore,
And they speak for a score, or possibly more,

Who live by traffic in printed lore.
I read: 'We pray from this earthly shore,
Ye authors of old attend us!
Oh, give us a lift in this hour of need,
For the publishing business is going to seed;
That man Alden is making with speed
As many books as the folks can read,
And selling disgracefully low, indeed;
It cheapens your fame—for you we plead!
Ye talented ghosts, defend us!'

"What word shall we send to this earthly band?"
Then Scott, with an Alden book in hand,
Arose (amid cries of "Take the stand!"
And said, 'This scheme will possess the land;
No good is the Harper and Scribner brand
While Alden shows that he can command
The brains of sage and scholar;
A shilling for Pope—good binding on;
The same for the poems of Tennyson;
Ten cents for your 'Pilgrim's Progress,' John;
For the 'Iliad,' thirty cents; and 'Don
Quixote' for half a dollar!"

Then Chaucer said, "I am rather old,
But I'm mighty glad this day to be told
How cheap my 'Canterbury Tales' are sold,
And the poets and wits of the Queen Anne fold,
Steele the bright and De Foe the bold,
Berkeley the sober and Swift the scold,
From the time of Sir Walter Raleigh;
Shakespeare's works and Smollett's and Sterne's,
Bacon, Bolingbroke, Byron and Burns,
And Babington, Lord Macaulay."

Charles Dickens said, "'Twould be foolish to let
Good luck of mortals cause regret;
For the price of a theater-ticket they get

Milman's Gibbon—the perfect set—
Dante and Virgil, two shillings net,
For a dollar Adam Smith on Debt,
And Mill on the Laws of Nations;
And I see by this wondrous circular
Sent up by J. B. A. that for
Three cents you get the Seven Year's War,
For a dime King Henry of Navarre,
And for thrice the price of a good cigar,
Will Shakespeare's inspirations."

Then Goldsmith rose and expressed it thus:
"It is simply a case of *de gustibus,*
But I see no reason for all this fuss,
For publishers never did much for us,
While needy, summer and winter;
Therefore, confrères, I hold this view:
The high-price houses are doubtless blue,
But unto the man our thanks are due
Who sends our thoughts each palace through,
And into the humblest cottage, too,
For the Many are always more than the Few,
And the people are more than the Printer!"

A slight shade rose—'twas Edgar Poe—
Who said, "I've been talking here with De Foe;
We agree, and the ancients have told us so,
That who makes two printed leaves to show
Where only one did formerly grow
Is as good a man as we want to know;
And this letter here, from the realms below,
Reveals its earthly animus;
I move it be not received!" About
A thousand voices removed all doubt,
Ben Johnson and Halleck and Hood spoke out,
Kit North and Irving and Father Prout,
'Mid a storm of cheers and a mighty shout,
And the motion pass'd—unanimous!

THE COPYRIGHT AND PIRATE QUESTIONS

"A Pirate Got Hold"

The following extract from a letter from the well-known author and artist, Philip Gilbert Hamerton, appeared in the New York *Publisher's Weekly*, possibly about 1885.

"I saw by the advertisements in American periodicals that a New York pirate has got hold of an 'Intellectual Life.' We sadly need a copyright law. It would be a benefit to all honest men, including American authors, who would be spared part of the rivalry produced by flooding the States with cheap pirated reprints. Yours very truly,

"P. G. Hamerton."

Is He a Pirate?

To which Mr. Alden replied as follows:

Dear Sir—The above note evidently refers to me, as I am the one publisher who has reprinted the work referred to at a low price. Of course it warms the blood of an honest man to have another honest man call him a knave. When discussion gets to that point, argument is cut off. I will, however, make a few points on my side of the case.

First—I am, and long have been, heartily in favor of giving authors the control of their productions upon *their own terms*, within the limits of the bounds of common sense—it would hardly be practicable for us to pay copyright to Homer, and it may be an open question as to when Macaulay's heirs should cease to receive their tax; there is, of course, *some* limit: honest "doctors disagree" as to points of equity, expediency, and the best methods of bringing a happy future out of the evil present.

Second—The laws of this country, and I believe the same is true of *all* countries. are not as you and other authors desire they should be. Evidently, too, it is quite as useless for authors to expect to get what they want *without a change in the laws*, as to hope to reach the result by calling publishers bad names. Where is the common sense of characterizing me as a "pirate" because I multiply (within the bounds of law and of custom since the time of Cadmus) copies of your book from the copy I bought and paid for, more than in applying the same term to one who *reads the book* aloud to a dozen friends, who consequently do not buy it—or more than applying it to *you* for appropriating the language and thoughts of the patriarch Job in one of your books without giving him any payment—you give "credit," doubtless to the authors whom you quote, but you give them no pay,—I give *you* credit, but no "pay" beyond the copy I buy, *till we are able to secure a change in the present unsatisfactory laws.*

Third—General Grant once said, "The best way to get rid of a bad law is to enforce it;" that is my theory, and I shall continue to practice upon it; I expect to aid in securing to you by "enforcement" of the legitimate consequences of the present laws (that is, by making good books cheap) what authors would never get by whining or growling. Some people give to my methods the credit of being, possibly, the largest single influence which is working in this country to bring about the much desired change in the laws.

Fourth—While authors certainly have their "rights," readers have some rights also. When I was a boy under fourteen years of age the good literature accessible to me was limited, nearly, to Murray's English Reader, and Josephus' Works. I do not pretend to be the reader's especial champion, but I *do* look at the question of the "intellectual life" for them from their standpoint as well as from that of the author—and it is *amazing* to me that

an author of your high character, intellectual, humane and Christian (whose inspiring words "The humblest subscriber to a mechanics' institute has easier access to sound learning than had either Solomon or Aristotle," I have placed before millions of readers)—that you should seem to take no pleasure in the fact that the best literature in the world has by my efforts been placed within the reach of millions to whom it was before unattainable; that I give to *you* an appreciative audience (far more appreciative than you find among your wealthy patrons) among tens of thousands, who without my efforts would never have known you. I say readers have rights as well as authors; what they are I will not discuss; I say, simply, let the laws be changed as authors demand; while Homer, Shakespeare, Milton and Lamb are free to readers, any "monopoly" which living authors can secure upon their own writings will not seriously hurt readers—and, furthermore, folly in law-making, if foolish changes should be made, would be likely soon to work its own cure in this age of the printing press.

Finally—Hamerton's "Intellectual Life" ought to sell by the hundred thousand—ought to sell a hundred where it has sold *one* by the methods of your approved publishers; when the "good time coming" is here, and authors can make their own terms with publishers and the public, perhaps you will give me a little credit and thanks for the *larger* audience you will then have because of my present "piracy."

A British Freebooter Attacks the Pirate

[From the *Saturday Review*, London.]

"All who fly the Jolly Roger, all gentlemen of fortune who sail under the bold black flag, must be pleased with the plea for piracy advanced by Mr. John B. Alden of New York. This enterprising officer is the modern Captain Kidd, and as fair and smooth-spoken as honest John Silver himself. In the recent engagement with Mr. Hamerton, the well-known art critic, it was the English craft that opened fire. Mr. Hamerton wrote, in the New York *Publisher's Weekly*, that a pirate had cut out and made prize of his 'Intellectual Life.' He added that a copyright law was 'sadly needed,' and would be a benefit to all honest men, especially to American authors, who 'would be spared part of the rivalry produced by flooding the States with cheap pirated reprints.'

"Mr. Alden replies in a letter, printed as an advertisement in *The Critic*. Mr. Alden says the above note refers to him, and, as an honest man, he is pained by Mr. Hamerton's violence of style. He has 'long been in favor of giving authors the control of their productions upon their own terms, within the limits of common sense.' These limits do not reserve to the heirs of Homer the right of arranging terms with translators of the Iliad and Odyssey. But do the limits of common sense prevent the publisher from paying Mr. Hamerton for the use of his property? Mr. Hamerton is not yet, happily, 'where Orpheus and where Homer are.' Secondly, the publisher informs the English author that it is quite useless for him and his countrymen to 'expect to get what they want without a change in the laws.' Certainly; that is just what we complain of. Nothing but actual force, nothing but 'a change in the laws,' will make people who sail under the Jolly Roger behave with—well, to please Mr. Matthew Arnold—we shall say, with delicacy. It maybe is not 'dishonest' in Mr. Alden to cruise about and make prize of English books; but, as poor Arminius observed in the case of Bottles, 'Will anyone dare to call him a man of delicacy?' We ourselves are demoniacs, as Mr. Arnold observes, demoniacs on all questions of property, and at this moment we are crying, and cutting ourselves in the tombs, over the conduct of Mr. Alden. He, meanwhile, as far as 'The Tombs' goes, is perfectly safe. He argues that he bought one copy of

'The Intellectual Life,' which gives him as much right to republish it as Mr. Hamerton has to print a quotation from the Patriarch Job 'without making him any payment.' This argument for fearless paralogism appears quite unique. Unhappily, few people will have native boldness enough to make play with such a contention. Thirdly, General Grant once said, 'The best way to get rid of a bad law is to enforce it—that is my theory.' Thus Mr. Alden confesses that his substance and wealth depend on a bad law. Without a bad law he would, as a publisher of English books in America, be nowhere. Certainly there seems a lack of delicacy in a gentleman who openly advertises the fact that but for a bad law the trade he exercises would be impossible. The remaining arguments are the old fustian about 'the rights of readers.' Readers have a 'natural right' to cheap books, and Mr. Alden does Mr. Hamerton a great service by widening his circulation. But why should a publisher make money out of an author, and refuse him any share? The reader's book would be little, if at all, dearer, only the publisher would have fewer dollars and a conscience void of the sin of depending for existence on a bad law. But, after all, while the law is unaltered the whole question is one of delicacy. And to that question, perhaps, it is of little service to argue with gentlemen in America who reprint English books without paying the authors, or with gentlemen in England who 'edit' American books of reference without pecuniary or other acknowledgement."

The Pirate Returns Fire

To the Editor of The Saturday Review:

The attack of your great Line-of-Battle-Ship upon my little "Pirate" Craft makes me wonder. Not since I left your little island and came here *via* "The Mayflower" in 1620 have I been so roughly treated. If you were only so generous as to say to me now, as the kind Priscilla did then, "Why don't you speak for yourself, John?" I would say:

First—If I am a "Pirate" your readers will certainly pronounce you a "Free Booter," seeing the terrible kicking you administer. My consolation is that your lively heels make only mirthful music as they ring against my impregnable armor—for I am in the *right*, you in the wrong, and the right is not staggered by such mild blows.

Second—I would ask if it was not a "slip of the types," your failing to print with your attack upon me what you call my "Pirate Plea" in my own words? British fair play is known world-wide as British pluck, and you are too chivalrous in your valor to storm even a Pirate Ship without giving it chance of defense. My "Plea" was certainly left out by mistake.

Third—I cannot overlook your words: "It is of little service to argue with gentlemen in America," which gives me notice that any argument of the case will probably not be allowed—as, indeed, you do not argue, but only ridicule. However, I will train my little guns and give you a few shots which may amuse, if they do not instruct you.

Shot One—Mr. Hamerton deserves rich reward for the excellent work he is doing for the world. When he has an literary property for sale to which he can give *a clear title* he can count on me to bid up its price. "The Saturday Review" does not buy MSS. simply for the privilege of publishing them, but for the privilege of the *monopoly* of their publication. That is what book publishers buy, within limits, the world over. What Mr. Hamerton may have thoughtlessly considered his property is *not* his—it is held under the noble British principle of "free trade" by The Public. Mr. Hamerton is too honorable a man to desire to sell me that to which he has no title—and he is too proud a man to wish to be the sub-

ject of my charity; any payment I would make to him, now, would be a simple matter of donation. This is the unfortunate result of existing law (or want of law.—for which I am not responsible, but to remedy which I claim to be doing the most effectual work which possibly can be done, and many good people are giving me credit for the work, if "The Saturday Review" is not.

SHOT TWO—Mr. Hamerton's case is not, however, one of such terrible wrong as some sentimental people suppose. He has just the same legal and moral claim to a royalty on the books which I publish as Guttenburg has upon him for a royalty for the use of the types (which he invented) in the books Mr. Hamerton prints, or as Cadmus has for his use of letters. Any copyright law whatever is just that much special "privilege" which society, through form of law, gives an author beyond what it gives a farmer. Without the aid of copyright or other legislation beyond the laws which apply to property generally, the author is fully protected in his manuscript *until he parts with it* (exactly the same as other property); he may discourse his "Intellectual Life" at his own price in schools (just as the farmer may "take boarders") or may "peddle" it over the world in lectures, as many do, and as the farmer sometimes does his products; he may even print in book form, and "lease" the books, or even sell them conditionally, restricting the right of re-sale or re-production, or even *reading aloud*. But for the *benefit* of authors and the encouragement of literature, copyright laws are enacted giving authors *under certain conditions* (one of which in this country is citizenship—Mr. Hamerton, come! hearty welcome awaits you) certain property rights in their productions after they have passed from their possession. It is that much special reward and stimulus which society thinks *expedient* to give, in encouragement of literature. I bought some potatoes of a farmer. He thought I meant to eat them—I planted them, and a luxuriant crop in my

garden smiles at the farmer as he comes to sell me more. Imagine how seven times richer than Crœsus would be the farmer who first developed the "Early Rose" potato had he received a "royalty" of five cents a bushel on all that has been grown from the seed he furnished. I bought Mr. Hamerton's book and "planted it"—in consequence, ten thousand homes are made glad by his wise and helpful thoughts that never would have known him had I "eaten" it. Could I have been "protected" from Mr. Hamerton's "authorized" publishers reducing their price, as they did, from $2.00 to 50 cents I could have as readily as not have charged a dime more for the book and made Mr. Hamerton a donation of the 10,000 dimes. But being subjected to the consequences of "free trade" in this case (in addition to the obloquy of bearing a "Pirate's" reputation, which wants *some* extra balm!) I dared not charge the higher price. I repeat, Mr. Hamerton is not the victim of any terrible wrong. He is not a slave, *compelled* to write books; he might peddle newspapers as I used to do, or he might "go West" and break and till the virgin soil, as I did years ago. But the book-reading and *law-making* public does not desire such a result to follow the existing state of affairs; and millionaire publishers don't want such a result—grown rich as they have under the contemptible hypocritical "law" of the "courtesy of the trade," their pockets have been made to bleed so terribly of late by the Pirate's "free trading," that their influence is at last being vigorously exerted, with that of a large portion of the educated public, and, in consequence, some of these days, soon, we shall have laws which will, *expediently*, reward authors with the monopoly of the right of publication of their works. Now, in this country a foreign author stands on a par with a native farmer—his manuscript is his property, as inviolable as the farmer's potatoes, while he retains possession of it; when he sells it he parts with all his rights in it just as the farmer loses control of the potatoes he

has sold—and he is no more wronged than the farmer.

SHOT THREE—"Mr. Alden confesses that his substance and wealth depend on a bad law." NOT TRUE. My chances for profit would be multiplied were a universal copyright law in force—he is a short-sighted publisher who thinks otherwise. And alas, my note is not counted good in bank without a very good endorser. Like St. Paul, I am "poor" though "having made many rich." I have suffered terrible blows of adversity. But I have saved the American book-buying public $20,000,000, at a low estimate. I have "founded libraries," or helped others to found them, in a hundred thousand homes—such libraries as would dwarf the British Museum, if gathered into one. This knowledge enables me to endure and laugh at the sarcasms of "The Saturday Review."

SHOT FOUR—The question of "delicacy":—You have "delicately" suggested my fitness for the "Tombs." To give you better knowledge than you now, probably, have, of my ability to adorn the place, I send you some specimens of my "piratical' treasures. See Hamerton's "Intellectual Life," full Russia binding, price 80 cents; the same in plain cloth, 50 cents; the specimen volumes of Carlyle and Ruskin, $1.00 each. Note the Catalogue sent you, with comments of Press and People. Note how *very* small a portion of my list is of books on which English authors have from any American source been receiving any compensation. Note the considerable number of American authors represented—who are continually coming to my standard, deserting the old line houses, because I reach *the people*, and they prefer the tribute of a dime from each of 50,000 readers rather than a dollar from each of a meagre 1,000. Note the literary taste of the "Pirate." Can any English publisher present you a catalogue of *choicer* books from a literary standpoint? Can any Christian or Philanthropic Publishing House show a list of higher average from the Christian and

moral standpoints? Yet you associate my name in the minds of your readers with the criminal inmates of the Tombs—equivalent of your London "Old Bailey!" I compliment "The Saturday Review" on *its* delicacy!

TO MR. HAMERTON—Before closing I wish publicly to express my regrets to Mr. Hamerton that his name has been so ungraciously bandied about in this matter. I revere him both as man and as an author. As you say, "It was the English craft that opened fire." I sought no war of words—and I acquit him of any intentional discourtesy. I am confident that his words of opprobrium were not only written thoughtlessly, but in a *private* note to his publishers, not dreaming they would be printed; those publishers, *stupidly*, thinking to give me a stinging thrust, published them—and gave me more good advertising than I have sometimes paid $5,000 for!

PARTING SHOT—Finally, Mr. Editor, you are welcome to go on with your "freebooting," as I shall continue my "pirating"—but I am sure you are too high-minded and manly a foe to try, and condemn, and execute me in the presence of your followers without giving me a hearing with them. Even Judge Lynch, who sits out west, always gives his victim a chance to speak before he lifts him to the limb, and you cannot do less. I promise *you* a full hearing before some millions of American readers.

Very respectfully, JOHN B. ALDEN.

P. S. The issue of "The Saturday Review" containing the above communication has never reached this country!!

ECHOES OF THE BATTLE

An eminent American author writes: "I am a little bit fond of adventure and am enjoying my *cruise with a pirate!* Some nervous literary friends have espostulated with me in vain, representing the literary perdition to which you are leading me; but I've a head of my own

and have answered all with the words: 'Wait and see!' I have read with much amusement your answer to the London *Saturday Review*. I don't blame you for hitting back. I sent an English publisher, on order, a MS. worth in our market $200.00, and trusted to his own liberality for remuneration; he sent me $9.00!"

"If the receiver of stolen goods is as bad as the thief, hundreds of poor students will gladly accompany you to a pirate's doom."—ANNA M. JACKSON, Saulsburg, Pa.

"I have just been reading your reply to Hamerton. It is simply magnificent, and all who want good and cheap books ought to thank you both for it and your work in sending out sterling literature accessible to all."—E. E. LEWIS, Attorney-at-Law, Sioux City, Iowa.

"I am entirely pleased—nay, delighted—with your books which have come to hand. A further order, with remittance, $5.00, accompanies this."—T. H. ATTRIDGE, Cork, Ireland.

"I think Sancho Panza was right when he said: 'When they bring you a heifer be ready with a halter.' So I will, and will buy a good library while I can get so good a one at such a small cost."—F. J. TRIPLETT, Helvetia, W. Va.

"Your books are largely in use out here among our English-reading native friends, as well as among ourselves. Will you kindly send me half a dozen of your catalogues for distribution."—J. H. DEFOREST, Osaka, Japan.

"Mr. Alden's reputation as a publisher of cheap books by the greatest authors is world-wide. He has done more than any man in this country to bring the literature and genius of the world, as it is recorded in books, within reach of people of limited means."—*Day Star*, New York.

"Inclosed please find draft for $51.28 in payment of bill of books. I desire also to say that when the affairs of the American Book Exchange passed into the hands of a Receiver it was owing me about $17.00, every cent of which, with interest from that time, has been paid by you, though you were under no legal obligation to do so. Such an exhibition of honesty and conscientiousness is gratifying in these days of wholesale dishonesty."—M. H. SMITH, Saranac, N. Y.

"I was about asking you to send me one of your catalogues when I chanced to see your reply to P. G. Hamerton in last *Literary World;* and upon reading it am constrained to add a simple word of thanks as one of 'the million' who read books, for your keen, cool, sharp, but fair, manly, truthful, and straightforward reply to his assuming, arrogant, and insulting tone, as well as to his false and specious reasoning from a wrong standpoint."—N. J. HOLDEN, Attorney, Salem, Mass.

BEWARE OF BOSTON PIRATES!

[Copy of an advertisement about 1886.]

A famous Boston firm published some years ago a fine edition of Guizot's History of France. It was a truly beautiful work (price $34.50), with lots of fine pictures, big type, and showy binding, but, strange to say, the history omitted any mention of the French Revolution, or of the wars of Napoleon Bonaparte! No explanation of the omission has been seen from the publishers, but it has been suggested that it may have been to make room for certain "steel engravings," though on a careful examination some have been led to wonder how a publisher could have been induced to "steal" engravings to insert in a work *which the artist did not design them to illustrate.*

However, there being a popular demand for an edition of Guizot's France, in which Napoleon and the

French Revolution had place, Alden the "Pirate" of the Literary Revolution, published such an edition COMPLETE in 8 volumes, small octavo, library style, gilt tops, etc., containing the 427 *fine illustrations* of the English edition. For Alden, it was a high-priced work, retailing at $8.

THE PIRATES COME IN.—Incredible as it may seem, considering the high character of Boston, there has lately been issued from that town another edition of Guizot. It does not bear the imprint of the Famous Boston Firm, and therefore *MUST BE* a "piratical" edition. The prominent name in the imprint is "Aldine" —apparently a further piratical attempt to deceive the innocent into thinking they are getting the genuine "Alden" edition.

This edition, too, is cut on the same "bias" as Alden's, pattern of cloth and all, though printed on smaller paper, giving narrower margins. It contains also some mention of the great Napoleon, but the publisher (whoever he is) failed to "steal" all the engravings of Alden's edition—he got only 128 out of the 427 of Alden's; and those he did get evidently were taken in the dark—"look on this picture and then on that," and you will see it must have been so. As to price—"You pay your money and take your choice"—it is quoted in Boston at $12.00, retail; in Ohio we hear of it at $7.00; in South Carolina at $6.00—California not heard from. Any purchaser who had paid over $4.00 should ask at once for "rebate"—and then shun all "bait" from Boston Pirates!

Of course Alden was lonesome when he was the "only Pirate." He likes company, and especially Boston company. As it is evident somebody wants a cheap Guizot he issues a new and cheaper edition. It is cut on the same smaller "bias" as the little Boston edition, but printed on *better paper,* and *contains all of the 427 fine illustrations* instead of only 128 as in the little Boston edition, and is finely bound in half Morocco, marbled edges, for the price of $6.00; also a cheaper edition, 4 vols., 128 illustrations, cloth, price, $3.00. It includes also the *ELABORATE INDEX,* complete, given in Alden's large edition. *That little Boston edition has NO INDEX*—if you want to find in that where it tells about Charlemagne you look for the picture of Charle, if you want to know about Joan of Arc you look for the picture of the Ark.

A CONTINENTAL WAR.—Bad example is catching, as every schoolboy knows. Get France into a fight, and Russia, England and no telling what next follow. There is Rambaud's History of Russia—a splendid work,—"crowned by the French Academy." Boston edition, 3 big volumes, price $6.00 ("cheap" edition this —the "good" edition is $16.50). Alden has already issued a beautiful edition, *finely illustrated* (Boston cheap edition has only a few pictures—more "steels"), uniform with the *FINE EDITION* of Guizot. Then there is a Boston edition of Guizot's History of England—lots of fine pictures—price $22.00. Alden leads that far away —Greene's Great History, in 5 volumes (Guizot was a Frenchman—good French History—no good English); new edition just ready, *profusely illustrated*—"steals" from Guizot's England—very good pictures—no good history.

Thus the "continental war" opens. France leads, Russia follows, England joins the fray. What next? Book-lovers rejoice. Only let them beware of Boston Pirates! The name on the "genuine is spelled *A-L-D-E-N,* not A-l-d-i-n-e; that was the old Dutch way before people learned to spell.

ALDEN'S Address is NEW YORK—Not BOSTON

"PRACTICAL POLITICS"

[Notes for a speech by a member of Congress introducing a Bill —speech not delivered at time of this printing in 1920.]

To introduce a short and simple Bill which it is believed will be far-reaching and beneficent in its effects, wronging no one, I wish to make a few pertinent remarks.

This is pre-eminently the year of years for "practical politics"—the Bill I offer is practical politics for "Uncle Sam."

"Uncle Sam," the familiar affectionate term so commonly applied to "all of us," taxpayers, voters, in our capacity as a nation, legislative, judicial, executive.

Practical politics is the kind that "gets results," especially desirable results—for instance, just now, two supremely, universally, longed for results: cutting cost of living, lowering taxation, toward both of which ends the proposed Bill will be a long and effective step.

It is especially "practical politics" to do the patriotic and honorable thing that will appeal to the hearts and minds of a vast number of voters, especially to intelligent, industrious, thrifty Americans; more than nine-tenths, nearer ninety-nine one-hundredths of those who can be so described, will heartily approve, be benefited by, the purpose of this Bill.

Justice stupendously stimulates patriotism, as wrong breeds distrust and tendency to anarchy. Justice, in all matters of business, is always economically profitable, as well as the righteous thing to do. The Bill proposed will right what has long been a shameful wrong, directly to a comparatively few (—yet over 700,000, mostly timid, ignorant, yet industrious, thrifty foreigners); has been

a disgrace to the good name of Uncle Sam; has indirectly been a grevious wrong to many millions of the most intelligent, industrious, thrifty Americans.

To speed up industry, promote thrift, to substitute in the popular mind confidence, hope and cheer, in the place of unrest and apprehension, is the earnest desire of true patriots; to all such this Bill will appeal.

Reduced to simplest terms, the High Cost of Living involves, beyond the materials supplied by nature from the hand of God, two things: cost of Labor, and cost of Capital, which is only labor itself, stored, conserved for the use of the laborer. The Bill proposed will *tend* toward the gradual, even rapid reduction in the cost of capital, not by any antagonism to capital, by any "fiat" or shade of "confiscation," but rather by the speeding up of Labor itself, by stimulating Saving and Thrift, the Laborer himself largely supplying the helpful capital he needs to aid his production.

What a joy it has been to the hearts of all patriots, the fact that America was able, in time of war, to mobilize an army of about 22,000,000 Liberty Bondholders, Victory Bondholders,—the vast majority of them not "capitalists," but *laborers in very truth.* And what a sorrow it has been to the hearts of patriots, the fact that those Liberty Bonds have *"slumped"* in the market, now selling, some of them, at about 10 per cent discount—a mortifying *"smudge"* on the name of "Uncle Sam." The Bill proposed will undertake (and will *do it,* almost as certainly as the action of gravitation—and by like means, *attraction*)—will undertake to increase that patriot army of 22,000,000 Liberty Bondholders—to probably 80,000,000, or more—will undertake quickly, within six months fully to "boost" the market price of *all* U. S. Bonds *to par,* or even to a premium.

Will not that gratify the pride and patriotism of all good Americans?

The Bill introduced proposes nothing "new"—it is based

entirely on accepted, successful and conservative precedent, as acknowledged by economists, financiers, bankers, business men generally.

We all know that only an almost infinitesimal part of the vast business of the world is done, not by the use of so-called "money" (even that, much of it, not real money, but certified credit), but by simple written bits of paper between the parties to each transaction, "checks" on commercial banks. In universal practice there is no debt one cannot pay, no property one cannot buy, by certified checks on banks of known solvency. The proposed Bill will, in a most simple way, only enlarge the common use of "certified checks."

There is today about $2,000,000,000 of exactly the same kind of money as makes the foundation resources of the entire solid banking system of the United States, which is having no use in necessity, which is not now earning anybody any interest or profit whatever. This Bill will quickly mobilize practically every one of that $2,000,000,000 for the sole benefit and use of "Uncle Sam," *without any cost of interest,* and will buy up in the open market, today at a considerable discount, and take out of the market that many U. S. Bonds which are costing Uncle Sam 4¼ to 4¾ per cent annual interest, thus reducing necessity of taxation over 80,000,000 dollars a year. Is not that worth while? Is it not practical politics to pander to popular public opinion which says "O.K." to such sentiment?

In addition to that $2,000,000,000 of money resource earning no interest and costing no interest the Bill will get certainly over $10,000,000,000 *more* of the same kind of money at a cost of not over 4 per cent and buy and take out of the market all U. S. Bonds which *are offered at any discount.*

Uncle Sam will no longer, and *should never again* suffer the ignominy of a "discount" on his "promises to pay!"

Will not that be some satisfaction to *all* thrifty, patriotic Americans to see Uncle Sam's name "at a discount" taken off the market?

In addition to this redemption of the dignity and good name of Uncle Sam the short Bill proposed will exert enormous power for stabilizing the price, and gradually reducing the cost of *all* money which is invested for the employment of labor, for promoting production, for all legitimate commerce.

I have been making, very briefly, tremendously strong claims as to what this brief Bill will accomplish. Let us now get down to details and note the logical, mathematical certainty of the truth of these claims.

We now have a Postal Savings Bank. What that is, what it does, what it refrains from doing, I am fairly ashamed to describe in language fitting the facts—so disgraceful are those facts to the dignity and honor of Uncle Sam. Who is to blame for the dishonorable facts, I shall not dwell on at all—only I appeal for Justice —which I have already said stupendously stimulates patriotism and is economically stupendously profitable—let us from now on do justice and forget if we can the disgraceful past of the Postal Savings Bank.

Our present Postal Savings Bank now serves about 700,000 patrons, mostly timid, ignorant foreigners, whose petty, hard-earned money it "takes care of" and returns them less than half the market price for their money—only 2 per cent per annum!

Hereafter, with the slightly amended Postal Savings Bank Bill I now introduce the Bank will serve, I conservatively estimate, probably 80,000,000 or more Americans instead of only 700,000. From those Americans it will get over $2,000,000,000 at *no cost* of interest, as already stated, and as many more billions of dollars at a cost of 4 per cent as are necessary to buy out of the market *all* U. S. Bonds which sell at a discount, and from that time on the cost of the money will gradually reduce

from 4 per cent down to 3¾, 3½, 3¼, and in good time lower rates of interest.

Partly as a matter of convenience to readily distinguish three different forms of "Certificates of Deposit" in the Postal Savings Bank, and partly to agreeably tickle the patriotic instinct and sentiment of the American masses, the Bill names these Certificates "Red, White and Blue Postal Savings Bank Money."

"Red money" is for daily spending and receiving, and bears no interest at all—but *will save "Uncle Sam"*—save taxpayers—about 4 per cent per annum—quite sufficient inducement to make popular and universal use of such "red money."

"Blue money" bears 4 per cent interest, compounded semi-annually, payable, always "at sight," never possibly at "a (disgraceful!) discount." Instead of clipping coupons twice a year the holder of this "Blue Money" simply *pays out*, at par, plus 4 per cent, compounded interest, such portion of his holdings as he needs to spend or wants to invest in ways which will earn him more than 4 per cent.

"White Money" (in multiples of $100 only) bears also 4 per cent, but holders receive a remittance twice a year, of the interest, the same as in case of "Registered U. S. Bonds."

All three forms of Certificate are payable "at sight" *as are substantially all the vast billions of deposits in all commercial and savings banks*—the very fact that a holder *knows* he *can* cash "at sight" and at par if he needs or wants it, is the preponderating and all sufficient reason why the money is *practically never drawn*—that is, in practice (during peace and prosperity, which patriotic Americans are determined shall reign from this time on)—in practice, when "Tom" draws money out, "Dick" and "Harry" put in a little more than "Tom" draws.

Two more brief points before I present the brief Bill.

1. In essentials the Bill is substantially the same as

the Industrial Savings Act which in three successive sessions of Congress Senator Morris Sheppard has presented, but Congress has been so busy with war and other matters that it has not had consideration. This Bill now following, covers only part of the ground of the other—the part which is deemed of pressing timeliness and it is hoped will secure *early* consideration.

2. A great national political campaign is quickly coming upon us. This Bill is a matter of honor, of justice, of patriotism, and it would be a shame and disgrace to make it a question of "partisanship"—or to put it differently: *both* parties should, as a matter of partisan policy, and as a matter of patriotism, make of it a leading "plank" in their platforms—it will more clearly secure unanimous approval of voters than any other one "plank" which will appear in either party platform!

Will this not be "practical politics" of the supremest sort? Be patriotic propaganda against which the craze of Bolshevism and Anarchism and Communism can possibly make no headway, no stand? An American army of 80,000,000 or more depositors in Uncle Sam's own Postal Savings Bank—which owns and holds the major portion of all Liberty Bonds, Victory Bonds—any imaginable army of Reds against such would be hardly more than a ridiculous mob.

A BILL

To amend the law of the existing U. S. Postal Savings Bank.

(Sec. ?). In addition to, or in substitution for the forms of Certificates of Deposit now issued by the U. S. Postal Savings Bank, Certificates of Deposit shall be issued of the following form and tenor:

(*a*) Printed on Red paper in size and form of customary bank currency in denominations of 25 cents, 50 cents, $1, $2, $5, $10, $50, $100 and larger.

(*b*)

[FACE OF BILL]

THE UNITED STATES POSTAL SAVINGS BANK

HAS RECEIVED FROM

[Here the depositor will write his signature, or not, as he pleases, this identifying his signature on the back when he indorses and passes it.]

TEN DOLLARS
(or other specified sum)

and will pay the same on surrender hereof properly indorsed.

If no signature is written on face, indorsement is needless and payment will be to bearer. For other details, see the other side.

Issued at Washington, D. C., but procurable or cashable through any Post Office or wherever one can use a certified bank check. Signed by authorized representative of

"UNCLE SAM."

[BACK OF BILL]

If you have written your signature on face hereof, for payment or transfer, indorse it here as you do a bank check.

"Red money," "White money" and "Blue money" is not money but is better than "just as good"; each bit of it is a "certified check" (certified by Uncle Sam) showing that you, or somebody, has deposited the money it represents in the Postal Savings Bank; payable on its presentation; you can cash wherever you can cash a certified bank check; but you do not need to "cash," for itself will buy anything gold will buy, or buy even gold—it is better than gold because it makes your money in pocket, cash drawer, or safe, draw interest for you while you hold it, for the next man when you pay it over (or for Uncle Sam, in case of "Red money").

"Red money" and "Blue money" you can get wherever you can get postage stamps; get any denominations wanted: 25 cents, 50 cents, $1, $5, $10, $50, $100, $1,000 or larger; also "White money" in $100 or multiples thereof.

"Red money" is for daily spending or receiving; earns the holder no interest, but saves "Uncle Sam" (i.e., taxpayers) about 4 per cent per annum on over $2,000,000,000, or over 80,000,000 dollars a year.

"Blue money" earns the holder 4 per cent interest, compounded semi-annually; instead of clipping coupons twice a year, you simply pay out such part of your holdings as you need to spend, or can invest more profitably, receiving therefor par and interest already earned—free printed forms at any post office will tell you that value.

"White money" earns the owner in whose name it is issued 4 per cent per annum, interest being remitted to him twice a year—it is equivalent to "Registered U. S. Bonds," only never at any discount—always cashable at par, or transferable by your identifiable indorsement.

On both forms of White or Blue money interest will cease five years (or other time as hereon printed) from date of issue, and should be presented on or before that time for payment, or for exchange for new issues, possibly then bearing less interest rate.

(*c*) Printed on Blue paper, like Certificates shall be issued except that following the words "and will pay "the same," shall be inserted the words "together with interest at 4 per cent per annum, interest compounded semi-annually," on surrender hereof, etc.

(*d*) Printed on white paper, like Certificates to those on red paper shall be issued in sums of $100 or multiples thereof, except that following the words "and will pay the same" shall be inserted the words "together with interest at 4 per cent per annum" on surrender hereof, etc.

Also shall be added the statement: "This Certificate is Registered, and until transferred, interest will be remitted semi-annually to the person to whom issued."

Sec (?) Any balance of funds received by the Postal Savings Bank, proceeds of the issue of Red Certificates, shall be placed in the treasury of the U. S. without charge for any interest, repayable on need thereof by the Postal Bank, the funds to be used by the Treasury for any lawful purpose.

(Sec. ?) Any balance of funds received by the Postal Savings Bank, proceeds of the issue of Blue Certificates, or of White Certificates, shall be used by the Postal Savings Bank to purchase outstanding U. S. Bonds, at the lowest obtainable price, without brokerage, less than par and accrued interest.

(Sec. ?) Whenever the Postal Savings Bank shall no longer be able to purchase outstanding U. S. Bonds at a price below par, it may use proceeds of the issue of Blue Certificates and White Certificates, to loan in the open market, for productive or commercial use, not speculative, at the highest obtainable rate of interest, such loans to be secured by ample and readily marketable collateral approved by the U. S. Treasurer and by the Board of the Federal Reserve Bank.

(*a*) Whenever the demand for loanable funds shall be

so limited that the Postal Savings Bank shall not be able to make loans profitably above the per cent it pays on deposits, it shall discontinue further issue of Blue and White Certificates bearing 4 per cent interest, and make further issues bearing 3¾, 3½ or such lower per cent as will enable the Postal Savings Bank to loan its surplus funds profitably.

POST SCRIPTUM

"Profitable Patriotism"?! Words of reproach? Opprobrious possibly, sometimes. It depends on the thing done.

Again such patriotism is glorious—highest honor. For, not only is "godliness profitable" in the religious sense, but also in the economic sense, and so also is "patriotism profitable," to the nation, the state, the community—to the patriot's children, though *he* may have suffered in body and estate.

This book can hardly be "profitable" to the writer, in money—will probably take dollars where it brings dimes —nor is it desired that it sould "pay." It has given him "big" pleasure *trying* to be of service to other "patriots," —the mass of American people.

And "there's billions in it" of real "dollar profits" (laws of **logic and** immutable mathematics demonstrate it) for the "Men Who Pay the Freight." Scores of billions of dollars for honest, thrifty Savings Bank depositors, when they force "statesmen," by public opinion, to give depositors justice, to "unshackle the Postal Savings Bank," as herein proposed.

We have yet to hear from an editor, economist, legislator, or common "man of sense," in disapproval of any essential herein proposed (of course, details may be varied and improved—will be), with "any reason why not that will hold water better than a sieve"!

But you "haven't noticed" newspaper pages "ablaze with the fire of agitation for a good cause"—for right and justice? A few editors have spoken out in hearty commendation—not one against.

Most editors seem "afraid," want first the "consent of the *governing*" financiers and politicians—want to see, first, "which way the cat will jump"!

JUSTICE AND PRACTICAL SENSE

Editors widely print and laud the bragging bulletins of our present *shackled* Postal Savings Bank, which is hardly short of a "contemptibly small iniquity" as compared to the "real thing" an *unshackled* Postal Savings Bank would be.

"A conspiracy of silence" reigns over editors and legislators generally—perhaps no wonder, since "silence" is the only safe answer to our argument.

"W. S. S." (War Savings Stamps) are "boomed" abundantly (properly, justly so) but no mention is made of an *unshackled* Postal Savings Bank (which would produce $10 to $50 where W. S. S. produce $1) to which scores of millions of depositors would flock like hungry men to a feast, were opportunity given, without need of being "prodded" to patriotic saving!

Now it is "up to you" to help "wake up" editors and Congressmen. Write and ask them "why not?" Tell them:

"I vote for an unshackled Postal Savings Bank."

"I vote for Uncle Sam's Automatic Railroad Regulator."

Get others to do the same.

The "powers that be" will "get busy" when *you* get busy!

J. B. A.

If you want this book, or any printed matter we have, to distribute, you can have at bare cost thereof.

A PETITION TO POSTERITY

1920-1970

To the National Congress of the United States for certain Patriotic Legislation.

To a few score Editors of leading daily, weekly and monthly political, religious, agricultural and other papers, educators of Public Opinion, whose Laws are universal and self-enforcing.

Your petitioner, well beyond the sunset summit of three-score-and-ten, now as all his life in good health, but mindful that the "time cometh when no man can work" —glad and grateful that thousands of his fellows in all parts of the nation have in the past recognized his measurably-successful effort to serve them *via* "high-class books at little cost"—earnestly wishing to do even more important service to those living in years to come—your petitioner has provided that this brief paper shall be presented for your consideration once a year, for fifty years, terminating 1970.

If in the meantime some of the objects sought for have already been attained: or,

If, possibly, better ways have been found to secure similar beneficent results,

So there may be rejoicing, and this bit of paper may find quick and happy rest in waste baskets.

Very briefly, here, will be summarized the purposes of this Petition. At more length, clearer outlines, considerable details, and reasons therefor, will be found in a little book, second edition, "Peace and Prosperity, *via* Justice and Practical Sense," obtainable in the principal libraries of the U. S., and may possibly also be found in print, in book stores or from the publishers.

FIRST. To promote Thrift, speed up Industry, substitute in the popular mind hope, cheer, contentment, in place of apprehension, unrest, distrust, tendency to anarchy—give financial *justice* to workers—no wrong or antagonism to any worthy class—unshackle the Postal Savings Bank. A Bill with this object has been before three successive sessions of Congress, ably presented and backed by unanswerable argument, and has had no opposition but "silence."

No more "conservative" financial legislation was ever offered—nothing "new" in it—based entirely on accepted precedent as advocated or acknowledged by bankers, economists, statesmen. It will build the greatest, strongest bank the world has seen, without possibility of dominance by any "interests," stabilizing the price, and healthfully reducing the cost of money and credit.

SECOND. Transportation, on Land, Water and in Air. Unceasing economic war between "interests," and "classes" has existed since railroads were invented, and only "truce" (if even that), not "peace" has been recently attained (1920).

The simple, easy, natural, *just* "way out" has thus far not been publicly even considered.

Public *ownership* (NOT "operation"), as presented in "Peace and Prosperity," will reduce "cost of capital" (with hurt or wrong to no one) possibly ONE HALF, while

PRIVATE OPERATION by Men Who Pay the Freight (organized precisely as stockholders in conservative corporations are organized) will *automatically* result in the utmost possible *efficiency* and *economy* of operation, to the supremest advantage of all producers and all consumers of products transported,—and there will be eternal "economic peace" instead of endless "economic war" in transportation.

THIRD. Mutual Aid Associations, national, regional, local, as outlined in the little book will make "workers" and "capitalists" synonymous terms,—give the utmost strength of union, with the utmost initiative and vitality of individuality. Not "paternalism" but "fraternalism" is proposed—*automatic* Leagues for World Peace.

"Monopoly" of any kind will be made something of the "past."

"Strikes" will be no more—strange phenomena of former times.

FOURTH. Sane Suffrage will make *real* "democracy," justice between majority and minority, patriotism and ability in the lead.

Educating, moulding, mobilizing public opinion, by free opportunity for expression, instead of by dominating "paid propaganda," by selfish "interests."

Suppression of poster-display advertising in papers and periodicals will abate a nuisance to intelligent readers and terminate vast economic waste of good white paper or of material to make it.

FIFTH. "One Big Union" will "squelch" for all time the most threatening and terrible of all wars, of class against class,—promoting beneficent fellowship, abolishing poverty.

SIXTH. "Perpetual Motion"—that of the air "harnessed," at no cost but that of the "harness," cheap,—will give power, light and heat, practically without limit —the power of oil, coal, even of water itself, can be "conserved" for use only in temporarily supplementing the power of the air. Here, also, is "nothing new," simply "assembling" inventions and devices already in successful use.

SEVENTH. Even "Legislation," so commonly thought "necessary" is often not the best way, except for "psychologic" effect, since, voluntary *organization* of those interested, by means of "business incorporations," will secure most ends sought. For illustration, note two papers on "Milk"—also "Mutual Aid Associations" and "Land" and "Single Tax."

EIGHTH. The "economic millenium" is not here yet, but it is "due to arrive" any day when popular welcome is ready with its "peace and goodwill."

JOHN B. ALDEN.

NESHANIC, N. J.
March 2, 1920.

"PEACE AND PROSPERITY, *VIA* JUSTICE AND PRACTICAL SENSE." By JOHN B. ALDEN. 12mo, cloth, 240 pp., $1.00. At Libraries and Book and News-stands.

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